

## *St. Louis City Ordinance 63810*

FLOOR SUBSTITUTE

BOARD BILL NO. [96] 119

INTRODUCED BY ALDERMAN FRANCIS G. SLAY , ALDERWOMAN  
PHYLLIS YOUNG

An ordinance recommended by the Board of Estimate and Apportionment and by the Board of Public Service pertaining to and authorizing (i) the acquisition, (by lease or purchase including condemnation), of real and personal property, construction, equipping and installing of furnishings and equipment for St. Louis Jail Facilities including the City Justice Center, (ii) costs of refunding the Series 1992 Bonds, (iii) moneys to fund the debt service reserve fund (iv) moneys to provide for capitalized interest during construction on the Bonds issued to finance the Project, and (v) the payment of the cost of the issuance of the Series 1996 Bonds, all for the general welfare, safety and benefit of the City of St. Louis, Missouri (the "City"); with definitions of terms and legislative findings and determinations; authorizing, confirming and approving the formation of St. Louis Municipal Finance Corporation III, a corporation organized under the Missouri Nonprofit Corporation Act (the "Lessor" or "Corporation"); approving the financing of the Costs (as hereinafter defined) through the issuance and negotiated sale by the Lessor of up to One Hundred Thirty Five Million Dollars (\$135,000,000) principal amount of bonds in two series consisting of its City Justice Center Leasehold Revenue Improvement Bonds, Series 1996A (the "Series 1996A Bonds") and its City Justice Center Leasehold Revenue Improvement and Refunding Bonds, Series 1996B (the "Series 1996B Bonds") (collectively, the "Series 1996 Bonds" or the "Bonds"); authorizing and directing the conveyance of a leasehold interest in the Property (as hereinafter defined) to the Lessor pursuant to the Base Lease (as, hereinafter defined), authorizing and directing the leasing of the Property by the City from the Lessor pursuant to the Lease Agreement (as hereinafter defined); authorizing the creation of a lien and security interest by the Lessor in the Lessor's leasehold interest in any real and personal property related to the St. Louis Jail Facilities (as hereinafter defined) to secure payment of the Bonds and/or to secure payment of obligations due to the Credit Provider (as hereinafter defined), if any; approving, authorizing and directing the execution of the Pledge Agreement (as hereinafter defined) regarding certain State Reimbursements (as hereinafter defined) to secure payment of the Bonds; authorizing the Office of Administration of the State of Missouri to pay directly to the Trustee, providing that the Bonds shall be limited obligations, as herein

provided, and not a debt or liability of the City or the State of Missouri, and that the Bonds shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction; authorizing the obtaining of Credit Enhancement (as hereinafter defined) for the Bonds from a Credit Provider and the payment of any obligations due to a Credit Provider, if any; authorizing and directing the Mayor and Comptroller and any other appropriate City officials, if necessary, to execute, as provided herein, the following documents: the Base Lease, the Lease Agreement, the Escrow Agreement, the Continuing Disclosure Agreement, and any Credit Agreement (as hereinafter defined); authorizing and approving of the Master Indenture and the First Supplemental Indenture, and authorizing participation of appropriate City officials in drafting the Preliminary and Official Statement and execution of a Bond Purchase Agreement and the taking of further actions with respect thereto; authorizing and directing the taking of other actions, approval and execution of other documents as necessary or desirable to carry out and comply with the intent hereof and to comply with the duties of the City under the Lease Agreement, and any Credit Agreement; declaring that the City will accept from the Lessor conveyance of its leasehold interest in the Property after payment of or provision for payment of the Bonds in accordance with the Indenture; providing that the acquisition, construction, equipping, and installing of furnishings and equipment for the City Justice Center shall be done pursuant to plans and specifications to be prepared by the Board of Public Service; approving and authorizing (i) the expenditure, pursuant to the Lease Agreement and in accordance with the Indenture, of a portion of the net proceeds of the Bonds, for the costs of acquisition (by lease or purchase, including condemnation) of real and personal property, construction, equipping and installing of furnishings and equipment for St. Louis Jail Facilities including the City Justice Center, (ii) the expenditure of a portion of the net proceeds of the Series 1996B Bonds to refund the Series 1992 Bonds (as hereinafter defined), (iii) the funding of a debt service reserve fund, (iv) the funding of capitalized interest during construction, and (v) the payment of the cost of issuance of the Bonds including Credit Enhancement fees, if any; with an emergency clause.

WHEREAS, the Board of Aldermen of the City is desirous of financing the cost of acquisition, (by lease or purchase, including condemnation) of real and personal property, construction, equipping and installing of furnishings and equipment for St. Louis Jail Facilities including the City Justice Center, out of the net Bond proceeds of the issuance by the Lessor of two series of Bonds in an aggregate principal amount not to exceed One Hundred Thirty Five Million Dollars (\$135,000,000), all pursuant to a structure providing for a conveyance

by the City to the Lessor of a leasehold interest in the Property for a price equal to the Costs (as hereinafter defined) of the Project (as hereinafter defined), and the leasing of such Property from the Lessor under a Base Lease providing for the payment, subject to annual appropriation, by the City of certain amounts necessary to pay principal of and interest on the Bonds, but only if and to the extent annually appropriated by the Board of Aldermen of the City;

WHEREAS, the Board of Aldermen is further desirous of pledging as security for the Bonds certain State Reimbursements paid to the City as provided in the Pledge Agreement;

WHEREAS, it is necessary and desirable in connection with the Project and the issuance of the Bonds that the City enter into certain documents, including the Base Lease, the Lease Agreement, the Escrow Agreement, the Continuing Disclosure Agreement and the Pledge Agreement, and that the City execute certain other documents, take certain other actions and approve certain other documents, as herein provided, including the Master Indenture, and the First Supplemental Indenture (the forms of which are attached hereto and incorporated hereof as exhibits) and authorize preparation and execution of the Preliminary and final Official Statement and a Bond Purchase Agreement;

NOW THEREFORE, BE IT ORDAINED BY THE CITY OF ST. LOUIS AS FOLLOWS:

Section 1. Definitions. Capitalized terms used herein and not defined in the Ordinance shall have the meanings ascribed to such terms in the Indenture. As used in this Ordinance, the following words shall be defined as follows: "Additional Rentals" means the amounts payable by the City on an annual appropriation basis as additional rentals pursuant to Section 4.2 of the Lease Agreement. "Base Lease" means the Base Lease, substantially in the form attached hereto as Exhibit C, between the City and the Lessor, dated as of the Dated Date, pursuant to which the City will convey a leasehold interest in the Property to the Lessor. "Board of Aldermen" means the Board of Aldermen of the City. "City" means The City of St. Louis, Missouri. "City Justice Center" means the City Justice Center proposed to be constructed on the real property described on Tract II of Schedule I to the Lease Agreement attached hereto, and situated in the City and any other real or personal property hereafter acquired by the Lessor and leased by the Corporation to the City pursuant to any supplemental Lease Agreement with respect to the City Justice Center and appurtenant easements, rights-of-way, improvements, paving and personal property necessary, convenient and appurtenant thereto, and any modifications, alterations or changes in, on or to the foregoing or any repairs thereto or thereof.

"Construction Costs" means all reasonable and necessary expenses incidental to the acquisition of real and personal property, construction, equipping and installing of furnishings and equipment for the City Justice Center or any part thereof including, without limitation, architectural and engineering services relating thereto, and any and all other costs which in the opinion of Bond Counsel constitute capital expenditures within the meaning of Treasury Regulation section 1.150-1(b) of the Internal Revenue Code, as amended.

"Corporation" means the St. Louis Municipal Finance Corporation, a Corporation organized under the Missouri Nonprofit Corporation Act, and its successors and assigns and any surviving, resulting or transferee corporation as provided in Section 16.1 of the Lease Agreement, including St. Louis Municipal Finance Corporation III or any other suitable St. Louis Municipal Financing Corporation.

"Cost" or "Costs" means all Construction Costs, and all reasonable and necessary expenses of or incidental to the Project directly or indirectly payable or reimbursable by the Corporation and costs reasonable, necessary and related to the authorization, sale and issuance of Bonds with respect to the Project, including but not limited to legal, organizational, marketing and other special services; financial and underwriting fees and expenses and any other fees and expenses incurred including the costs of Credit Enhancement, if any; filing and recording fees; initial fees and charges of the Trustee; expenses of feasibility studies; title insurance policies and all other reasonable, necessary and incidental expenses, including interest during construction on Bonds issued to finance the Project.

"Credit Agreement" means any agreement by and among the Credit Provider, the City and the Corporation providing for Credit Enhancement.

"Credit Enhancement" means a letter of credit, liquidity facility, a surety bond or bond insurance policy or policies, issued by a Credit Provider guaranteeing, providing for or insuring the payment of all or a portion of the principal of and interest on one or more series of Bonds as provided therein. The Credit Enhancement (i) shall be obtained from a Credit Provider that has a credit rating such that the City, in the opinion of the Underwriters, will derive an economic benefit if such Bonds are secured by the Credit Enhancement, (ii) shall be provided pursuant to the Credit Agreement providing for repayment to the Credit Provider of payments with terms and conditions approved by the Mayor and the Comptroller, as evidenced by their execution thereof with the advice as to form of the City Counselor and attested by the Register and (iii)

shall be obtained at a fee, payable in a lump sum or periodically, which shall provide an economic benefit to the City

"Credit Provider" means the issuer or issuers of any Credit Enhancement, if any, pursuant to or identified in the First Supplemental Indenture.

"Dated Date," with respect to the Series 1996 Bonds, shall mean August 1, 1996, or such other date as may be approved by the parties signatory thereto.

"Escrow Agreement" means the Escrow Agreement between the City, the Lessor and Mark Twain Bank, as escrow agent, dated as of the Dated Date.

"Financial Advisor" means the financial advisor to the City with respect to the Series 1996 Bonds.

"First Supplemental Indenture" means the First Supplemental Indenture of Trust between the Lessor and the Trustee, dated as of the Dated Date, with such completions thereof, changes therein and modifications thereof as may be consistent with the provisions of this Ordinance and the Lease Agreement as executed and delivered on behalf of the City (substantially in the form attached hereto as Exhibit B).

"Indenture" means the Indenture of Trust between the Lessor and the Trustee, dated as of the Dated Date, as supplemented and amended by the First Supplemental Indenture, pursuant to which the Bonds shall be issued and the Lessor shall pledge and assign the rents, revenues and receipts received pursuant to the Lease Agreement to the Trustee for the benefit of and security of the holders of the Bonds upon the terms and conditions as set forth in said Indenture (substantially in the form attached hereto as Exhibit A) with such completions thereof, changes therein and modifications thereof as may be consistent with the provisions of this Ordinance and the Lease Agreement as executed and delivered on behalf of the City.

"Lease Agreement" means the Lease Purchase Agreement between the Lessor and the City, dated as of the Dated Date, pursuant to which the Lessor shall convey a leasehold interest in the Property to the City on the terms and conditions as set forth in the Lease Agreement (substantially in the form attached hereto as Exhibit D), and the City shall lease the Property together with any improvements thereon, from the Lessor for a certain lease term, subject to annual appropriation of Rentals equal to the principal and interest due on the Bonds during each fiscal year of the City. The Lease Agreement may be supplemented and amended from time to time with the approval of the

City, for the purposes and pursuant to the procedures as provided in the Lease Agreement and the Indenture.

"Lessor" means the St. Louis Municipal Finance Corporation, a corporation organized under the Missouri Nonprofit Corporation Act or such other suitable municipal financing corporation as may be approved to serve as the Lessor for the financing authorized by this Ordinance.

"Pledge Agreement" means the Pledge Agreement dated as of the Dated Date, made by the City in favor of the Trustee and, if necessary, any bank or similar institution providing for Credit Enhancement (substantially in the form attached hereto as Exhibit E).

"Pledged Revenues" means State Reimbursements pledged under the Pledge Agreement.

"Project" means the (a) acquisition (by lease or purchase, including condemnation) of real and personal property, construction, equipping and installing of furnishings and equipment for St. Louis Jail Facilities including a City Justice Center.

"Property" means the real and personal property described on Schedule I to the Lease Agreement together with any improvements constructed thereon.

"Register" means the Register of the City.

"Rentals" means the total of the amounts payable by the City on an annual appropriation basis as rentals pursuant to Section 4.1 of the Lease Agreement.

"Series 1992 Bonds" means the outstanding St. Louis Municipal Finance Corporation Leasehold Revenue Improvement and Refunding Bonds, Series 1992, dated June 15, 1992.

"Series 1996 Bonds" or the "Bonds" means the Series 1996A Bonds and the Series 1996B Bonds.

"Series 1996A Bonds" means the Lessor's City Justice Center Leasehold Revenue Improvement Bonds, Series 1996A.

"Series 1996B Bonds" means the Lessor's City Justice Center Leasehold Revenue Improvement and Refunding Bonds, Series 1996B.

"State Reimbursements" means certain prisoner per diem cost reimbursements received by the City pursuant to Section 221.105 Revised Statutes of Missouri, as amended, from the State of Missouri.

"St. Louis Jail Facilities" means the existing medium security correctional facility, improvements to be acquired, constructed, installed and equipped, if any, situated on the Property described on Schedule I to the Lease Agreement, together with all improvements and equipment thereon, the City Justice Center to be constructed with proceeds of the Series 1996A Bonds and any additional jail facilities constructed with the proceeds of Additional Bonds; provided however, that upon the date on which the payment of all principal and interest on the Series 1996B Bonds have been fully made or provided for pursuant to Section 1301 of the Indenture, the term "St. Louis Jail Facilities" shall no longer include the Medium Security Institution. Capitalized terms used herein and not defined in this Ordinance shall have the means set forth in the Indenture.

"Treasurer" means the Treasurer of the City.

"Trustee" means Mark Twain Bank, St. Louis, Missouri, as trustee or any successor thereto under the Indenture.

"Underwriters" means the underwriters with respect to the Series 1996 Bonds.

Section 2. Findings and Determinations. The Board of Aldermen hereby finds and determines as follows:

(a) It is in the best interest of the City that the Lessor be authorized and directed to assist in the financing of the Costs of the Project and that the City pay reasonable expenses, if any, incurred by the Lessor and City in connection with the issuance and sale of the Bonds and in accordance with the Lease Agreement and the bond purchase agreement which would not otherwise be payable out of Bond proceeds as cost of issuance;

(b) The conveyance of a leasehold interest in the Property to the Lessor is necessary and appropriate to the financing by the Lessor of the Costs of the Project.

(c) The issuance by the Lessor of the Bonds, and the sale and delivery thereof through a negotiated sale of the Bonds to the Underwriters, to pay the Costs of the Project is necessary and desirable for the accomplishment of the Project and is for the use and benefit of the City;

(d) The City will convey a leasehold interest in the Property to the Lessor and acquire real and personal property, construct, equip and install furnishings and equipment for the City Justice Center and will cause the Series 1992 Bonds to be refunded for a price equal to the Cost of the Project payable out of the proceeds of the Bonds, all pursuant to and in accordance with the provisions of the Lease Agreement and the Indenture;

(e) The City will lease the Property from the Lessor for the Rentals and Additional Rentals, which are subject to annual appropriation by the City. The proceeds from the Series 1996 Bonds will be used (i) to acquire real and personal property, construct, equip and install furnishings and equipment for the City Justice Center; (ii) to refund the Series 1992 Bonds, (iii) to provide funds for capitalized interest during construction, and (iv) to pay for certain other Costs, including, but not limited to the costs of issuance of the Series 1996 Bonds.

(f) The City shall have the exclusive beneficial possession and use of the St. Louis Jail Facilities and so long as an Event of Default (as such terms is defined in the Indenture and the Lease Agreement) shall not have occurred and there shall have been no failure to appropriate funds to pay the Rentals and Additional Rentals, the City will have the exclusive beneficial possession and use of the St. Louis Jail Facilities while the Bonds remain outstanding; and

(g) So long as an Event of Default (as defined in the Lease Agreement) shall not have occurred, with respect to the Rentals and Additional Rentals, the City will obtain from the Lessor conveyance of its leasehold interest in the Property as and when provided in the Lease Agreement, upon payment in full of the Bonds or as otherwise provided.

Section 3. Formation of and Action by Lessor. The Board of Aldermen hereby confirms and approves the formation by appropriate City officials of the St. Louis Municipal Finance Corporation III, which is being formed under the Missouri Nonprofit Corporation Act for the purpose of serving as Lessor on projects being authorized by the City. The Board of Aldermen authorizes the use of St. Louis Municipal Finance Corporation III, or such other suitable municipal financing corporation as may be approved to serve as the Lessor for the financing authorized by this Ordinance, which corporation shall be approved by the Mayor and Comptroller as evidenced by the execution of the bond documents described herein (the "Lessor") and which approval shall evidence the approval of the Board of Aldermen of the purposes and activities of the Lessor. The Articles of Incorporation and Bylaws of St. Louis Municipal Finance Corporation III (attached as Exhibits F and G, respectively, hereto) and



corporate action heretofore taken by way of resolution of the Lessor, if any, are hereby ratified, confirmed and adopted. The members of the Board of Directors and officers of Lessor are hereby approved and ratified and any actions taken by the Board of Directors in furtherance of the issuance, sale and delivery of the Bonds are ratified and confirmed.

Section 4. Construction and Improvement of the St. Louis Jail Facilities and Creation of a Lien Thereon. The City is hereby authorized and directed to take all reasonable action to (i) provide for the acquisition (by lease or purchase, including condemnation) of real and personal property, construction, equipping and installing of furnishings and equipment for St. Louis Facilities, including the City Justice Center, and (ii) provide for the refunding of the Series 1992 Bonds. The Mayor, Comptroller and other appropriate officers of the City are hereby authorized and directed to execute, attest, acknowledge, deliver and record such instruments, in the form approved by the City Counselor, conveying a leasehold interest in the Property from the City to the Lessor as may be necessary and appropriate. The Lessor is hereby authorized to create a lien and security interest in its rights, title and leasehold interest in any real and personal property related to the St. Louis Jail Facilities to secure payment of the Bonds and/or to secure obligations due to any Credit Provider under any Credit Agreement.

The acquisition of real and personal property, construction, equipping and installing of furnishings and equipment for the City Justice Center shall be done pursuant to detailed plans and specifications approved by the Board of Public Service before bids are advertised therefor. The general character and extent of such work shall be as described in the Lease Agreement. The material to be used shall be as directed by the Board of Public Service. The expenditure out of the Bond proceeds of (i) funds for the acquisition, by lease, purchase, or condemnation of real and personal property, construction, equipping and installing of furnishings and equipment for St. Louis Jail Facilities including the City Justice Center, (ii) costs of refunding the Series 1992 Bonds, (iii) moneys to fund the debt service reserve fund (iv) moneys to provide for capitalized interest during construction on the Bonds issued to finance the Project, and (v) the payment of cost of the issuance of the Series 1996 Bonds is hereby approved on behalf of the City.

Section 5. Financing of the Costs by the Issuance of the Bonds. The City hereby approves the financing of the Costs by the Lessor pursuant to the provisions of the Lease Agreement and the Indenture for the benefit and use of the City, including the funding of the Costs of the Project and the refunding of the Series 1992 Bonds, through the issuance and negotiated sale by the Lessor

of the Bonds. The Bonds (1) shall have a final maturity not more than 30 years from the date of issuance, (2) shall bear a fixed rate of interest of not more than 10%, and (3) may be sold at a premium or at a discount with such discount not to exceed the maximum discount allowable under Missouri law.

Section 6. Limited Obligations. The Bonds and the interest thereon shall be limited obligations payable by the Lessor solely out of the Pledged Revenues and Rentals and Additional Rentals received by the Lessor from the City or received by the Trustee on behalf of the City and reasonably expected to be used to pay debt service on the Bonds pursuant to the herein authorized Pledge Agreement and Lease Agreement and from any amounts payable by any Credit Provider. The Bonds and the interest thereon shall not constitute an indebtedness of the City or State of Missouri within the meaning of any constitutional or statutory debt limitation or restriction. The obligation of the City to make payments of Rentals and Additional Rentals and other amounts under the Lease Agreement is subject to annual appropriation as provided therein. Neither such obligation of the City to make such payments nor the Bonds shall constitute a debt of the City. The issuance of the Bonds will not directly or contingently obligate the City to make any payments beyond those appropriated for its then current fiscal year. The Bonds shall be dated, mature, be in such denominations, bear interest at such times and have such other terms and provisions as shall be provided in the Indenture.

Section 7. Authority to Obtain Credit Enhancement. The City is hereby authorized and directed to obtain Credit Enhancement for the Bonds from a Credit Provider that has a credit rating such that the City will achieve, in the opinion of the Underwriters, an economic benefit if the Bonds are secured by the Credit Enhancement. If there shall be in effect a Credit Agreement, the Pledged Revenues may be pledged on a parity basis to payment of (i) debt service on the Bonds and (ii) any amounts due and owing to the Credit Provider under the Credit Agreement. The Mayor and the Comptroller are hereby authorized to approve the terms of any agreement for Credit Enhancement with the Credit Provider, and the Mayor and the Comptroller, with the advice of the City Counselor as to form thereof and attested by the Register, are hereby authorized and directed to execute such agreement for Credit Enhancement and other documents in connection therewith as required to obtain the Credit Enhancement.

Section 8. Authorization and Execution of Base Lease, Lease Agreement and the Escrow Agreement. The Base Lease, the Lease Agreement and the Escrow Agreement substantially in the forms attached hereto as Exhibits C, D and H respectively, are hereby approved, and the Mayor and Comptroller of the City

are hereby authorized and directed to execute, acknowledge and deliver the Base Lease, the Lease Agreement and the Escrow Agreement in substantially such forms, with such changes therein and the completions and modifications thereof not inconsistent with the provisions of this Ordinance as the Mayor and Comptroller shall approve with the advice of the Underwriters and the Financial Advisor and which the City Counselor shall approve as to form, and the Register of the City is hereby authorized and directed to affix the corporate seal of the City thereto and to attest the same and the signature of the Mayor and the Comptroller shall be conclusive as to their approval of such changes or modifications by the City.

Section 9. Approval of Master Indenture and First Supplemental Indenture. The Master Indenture, substantially in the form attached hereto as Exhibit A, and the First Supplemental Indenture, substantially in the form attached hereto as Exhibit B, are hereby approved with such completions thereof, changes therein and modifications thereof not inconsistent with the provisions of this Ordinance as shall be compatible with the provisions of the Base Lease, Lease Agreement and the Escrow Agreement as executed and delivered on behalf of the City.

Section 10. Further Authority. The City shall, and the Mayor, the Comptroller, the Treasurer as to permitted investments only, and other appropriate officers, agents and employees of the City are hereby authorized to, take such further actions, and execute such other documents as may be necessary or desirable to carry out and comply with the intent of this Ordinance, and to carry out, comply with and perform the duties of the City with respect to the Lease Agreement, Base Lease, Escrow Agreement and any agreement for Credit Enhancement.

Section 11. Conveyance of Leasehold Interest in Property to City when Bonds are Paid. The Board of Aldermen of the City hereby declares that the City will accept from the Lessor conveyance of the leasehold interest in the Property including any additions to the Property as provided in the Lease Agreement, in accordance with the herein approved Indenture.

Section 12. Bond Purchase Agreement. A bond purchase agreement between the Lessor and the Underwriters named therein in form consistent with this Ordinance and the issuance, sale and delivery of the Bonds are hereby contemplated and the Mayor, Comptroller, and other appropriate officers, agents and employees of the City are hereby authorized and directed to, take such further actions, and execute such other documents as are required by the City thereunder with their signature thereon to be evidence of such approval by the City.

Section 13. Official Statement. The Mayor, the Comptroller, and other appropriate officers, agents and employees of the City are hereby authorized and directed to participate in the preparation of the Preliminary Official Statement, final Official Statement, and to execute the Continuing Disclosure Agreement in substantially the form attached hereto as Exhibit I, relating to the issuance and sale of the Bonds and are further authorized and directed to execute such documents with their signature thereon to be evidence of such approval by the City.

Section 14. Pledge Agreement. A Pledge Agreement, substantially in the form attached as Exhibit E hereto, made by the City in favor of the Trustee and, if necessary, the Credit Provider, providing for a pledge of the Pledged Revenues as additional security for the Bonds is hereby approved.

The Mayor and the Comptroller of the City and other appropriate City officials are hereby authorized, empowered and directed to do all such acts and things and to execute, acknowledge and deliver the Pledge Agreement, as may in his or their discretion be deemed necessary or desirable to carry out or comply with the terms of this Ordinance. The Treasurer is hereby authorized to pay directly to the Trustee and, if necessary, the Credit Provider, for the purpose and applications set forth and in accordance with the terms of the Pledge Agreement, the Pledged Revenues as the Pledged Revenues become available.

Section 15. Incorporation of Exhibits. All exhibits attached to this ordinance are hereby incorporated herein by this reference as if such exhibits are fully set forth herein.

Section 16. Emergency. This Ordinance being necessary for the preservation of the public health, safety and welfare is hereby declared to be an emergency ordinance under Article IV, Sections 19 and 20 of the City Charter, and it shall take effect and be in full force immediately upon its approval by the Mayor.

EXHIBIT A  
INDENTURE OF TRUST

EXHIBIT B  
FIRST SUPPLEMENTAL INDENTURE OF TRUST

EXHIBIT C  
BASE LEASE

EXHIBIT D

LEASE PURCHASE AGREEMENT

EXHIBIT E  
PLEDGE AGREEMENT

EXHIBIT F  
ARTICLES OF INCORPORATION OF ST. LOUIS  
MUNICIPAL FINANCE CORPORATION III

EXHIBIT G  
BYLAWS OF ST. LOUIS ST. LOUIS  
MUNICIPAL FINANCE CORPORATION III

EXHIBIT H  
ESCROW AGREEMENT

EXHIBIT I  
CONTINUING DISCLOSURE AGREEMENT

ST. LOUIS MUNICIPAL FINANCE CORPORATION

AND

MARK TWAIN BANK

TRUSTEE

INDENTURE OF TRUST

DATED AS OF AUGUST 1, 1996

CITY JUSTICE CENTER LEASEHOLD REVENUE IMPROVEMENT  
BONDS, SERIES 1996A

CITY JUSTICE CENTER LEASEHOLD REVENUE IMPROVEMENT AND  
REFUNDING BONDS, SERIES 1996B

ST. LOUIS MUNICIPAL FINANCE CORPORATION

INDENTURE OF TRUST

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## INDENTURE OF TRUST

THIS INDENTURE OF TRUST (herein sometimes referred to as the "Master Indenture"), made and entered into as of the Dated Date, by and between ST. LOUIS MUNICIPAL FINANCE CORPORATION, a nonprofit corporation duly organized and existing under the Missouri Nonprofit Corporation Act (the "Corporation"), and MARK TWAIN BANK, St. Louis, Missouri, a trust company duly organized and existing and authorized to accept and execute trusts of the character herein set out under the laws of the State of Missouri and having its principal corporate trust office located in the City of St. Louis, Missouri, as trustee (the "Trustee");

### WITNESSETH:

WHEREAS, the Corporation is a nonprofit corporation duly organized and existing under the Missouri Nonprofit Corporation Act, as amended (the "Act"), with full and lawful power and authority under the Act to enter into this Indenture; and

WHEREAS, the Corporation is authorized to execute and deliver this Indenture for the purpose of issuing and securing City Justice Center Leasehold Revenue Improvement Bonds, Series 1996A and City Justice Center Leasehold Revenue Improvement and Refunding Bonds, Series 1996B and Additional Bonds (collectively, the "Bonds") as hereinafter provided; and

WHEREAS, the Corporation desires (i) to enter into this Indenture to secure the payment and performance of its duties and obligations hereunder and (ii) in conjunction herewith, to enter into a First Supplemental Indenture (hereinafter defined) to authorize the initial issues of Bonds; and

WHEREAS, all things necessary to make the Bonds, when authenticated by the Trustee and issued as in this Indenture provided, the valid, legal and binding

obligations of the Corporation, and to constitute this Indenture a valid, legal and binding pledge and assignment of the property, rights, interest and revenues herein made for the security of the payment of the principal of, and redemption premium, if any, and interest on the Bonds, have been done and performed, and the execution and delivery of this Indenture and the execution and issuance of the Bonds, subject to the terms hereof, have in all respects been duly authorized;

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

#### GRANTING CLAUSES

That the Corporation, in consideration of the premises herein set forth, the acceptance by the Trustee of the trusts hereby created, the purchase and acceptance of the Bonds by the Holders thereof, and the sum of one dollar duly paid to the Corporation by the Trustee, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in order to secure the payment of the principal of and interest on the Bonds according to their tenor and effect and redemption premium, if any, and to secure the performance and observance by the Corporation of the covenants, agreements and conditions herein and in the Bonds contained, does hereby, subject to the Lease Agreement, grant, bargain and sell, mortgage, warrant, convey and confirm and pledge, assign and grant a security interest in all and singularly the following property (said property being herein referred to as the "Trust Estate") unto the Trustee and its successors-in-trust and its assigns, for the benefit of the Bondholders:

1. All leases of the Trust Estate, or portions thereof, now or hereafter entered into and all right, title and interest of the Corporation thereunder.
2. All right, title and interest of the Corporation (including the right to enforce any of the terms thereof) in, to and under:
  - (a) the Base Lease,
  - (b) the Lease Agreement and all Rentals and Additional Rentals and certain other revenues, moneys and receipts pursuant to the Lease Agreement or otherwise available to secure the Bonds, except the amounts described in clauses (f), (g), (h) and (i) of Section 4.2 of the Lease Agreement and the Corporation's rights to indemnification under the Lease Agreement,

(c) all financing statements or other instruments or documents evidencing, securing or otherwise relating to the Lease Agreement, and

(d) any and all real and personal property interests, including but not limited to equipment, of the Corporation acquired by the Corporation in connection with the Project pursuant to the Base Lease and the Lease Agreement subject to subparagraph (b) hereinabove.

3. All moneys and securities from time to time held by the Trustee under this Indenture, excluding moneys on deposit in the Rebate Fund, and any and all other real or personal property of every kind and nature from time to time hereafter, by delivery or by writing of any kind, conveyed, pledged, assigned or transferred as and for additional security hereunder by the Corporation or by anyone on its behalf, or with its written consent, to the Trustee, which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof.

TO HAVE AND TO HOLD, all and singular, the Trust Estate with all rights and privileges hereby conveyed, pledged and assigned, or agreed or intended so to be, to the Trustee and its successors and assigns forever;

IN TRUST NEVERTHELESS, upon the terms and subject to the conditions herein set forth, for the equal and proportionate benefit, protection and security of all Bondholders, without preference, priority or distinction as to lien or otherwise of any of the Bonds over any other of the Bonds except as expressly provided in or permitted by this Indenture;

PROVIDED, HOWEVER, that if the Corporation shall well and truly pay, or cause to be paid, the principal of and interest on, all Bonds at the times and in the manner mentioned in the Bonds according to the true intent and meaning thereof, or shall provide for the payment thereof (as provided in Article XIII hereof), and shall pay or cause to be paid to the Trustee all other sums of money due or to become due to it in accordance with this Indenture, then this Indenture and the rights hereby granted shall cease, terminate and be void; otherwise, this Indenture shall be and remain in full force and effect;

THIS INDENTURE FURTHER WITNESSETH, and it is hereby expressly declared, covenanted and agreed by and between the parties hereto, that all Bonds issued and secured hereunder are to be issued, authenticated and delivered and that all the Trust Estate is to be held and applied under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the Corporation does hereby

agree and covenant with the Trustee and with the Bondholders as follows:

## ARTICLE I DEFINITIONS AND RULES OF CONSTRUCTION

Section 101. Definitions of Words and Terms. In addition to words and terms, if any, defined elsewhere in this Indenture, the words and terms as used in the Lease Agreement and this Indenture shall have the following meanings, unless some other meaning is plainly intended.

"Additional Bonds" means any additional Bonds, including refunding bonds, issued by the Corporation pursuant to Section 210 of this Indenture.

"Additional Rentals" means the payments payable by the City pursuant to Section 4.2 of the Lease Agreement.

"Authorized Denominations" means \$5,000 or any integral multiple thereof.

"Base Lease" means the Base Lease between the City and the Corporation, dated as of the date hereof as from time to time supplemented or amended in accordance with Section 7.3 thereof.

"Base Lease Rent" means the items referred to as such in Section 3.4 of the Base Lease.

"Base Lease Term" means the term of the Base Lease commencing as of the date of the delivery of the Base Lease and ending on the date specified in Section 3.1 of the Base Lease.

"Board of Aldermen" means the Board of Aldermen of the City.

"Bond", "Bonds" or "Series of Bonds" means any bond or bonds, including Additional Bonds, authenticated and delivered under and pursuant to this Indenture.

"Bond Counsel" means an attorney or firm of attorneys with nationally recognized standing in the field of municipal bond financing approved by the Corporation and the City.

"Bond Fund" means the Leasehold Revenue Improvement Bonds Bond Fund created in Section 601 of this Indenture.

"Bond Register" means the register and all accompanying records kept by the Bond Registrar evidencing the registration, transfer and exchange of Bonds.

"Bond Registrar" means the Trustee when acting in such capacity under this Indenture.

"Bondholder", "Holder" or "Registered Owner" means the registered owner of any Bond.

"Business Day" means any day except Saturday, Sunday, a legal holiday, or a day on which banking institutions located in the States of Missouri and New York are authorized by law to close.

"City" means the City of St. Louis, Missouri, a municipal corporation and political subdivision organized and existing under its Charter and the constitution and laws of the State of Missouri.

"City Representative" means the person or persons at the time designated to act on behalf of the City in matters not requiring legislative authorization relating to the Base Lease, the Lease Agreement and this Indenture as evidenced by a written certificate furnished to the Corporation and the Trustee containing the specimen signature of such person or persons and signed on behalf of the City by its Mayor and its Comptroller. For the purpose of investing the Bond proceeds the authorized City Representative shall be the Treasurer or his designee. Such certificate may designate an alternate or alternates each of whom shall be entitled to perform all duties of the City Representative.

"City Justice Center" means the City Justice Center to be acquired, constructed, equipped and installed on Tract II of the Property in the City, and any Improvements thereto, acquired, constructed, equipped and installed as part of the Project as described in Schedule I to the Lease Agreement, the Property and any other personalty hereafter acquired by the Corporation and leased by the Corporation to the City pursuant to any Supplemental Lease Agreement with respect to the City Justice Center.

"Closing Date" means the date of delivery of and payment for any Series of Bonds.

"Code" means the Internal Revenue Code of 1986, as amended, and the applicable regulations thereunder.

"Collateral" or "collateral" as used in the definition of Permitted Investments means the obligations described in subparagraphs (1) and (2) of the definition of Permitted Investments.

"Completion Date" means the date of completion of the Project, as that date is certified as provided in Section 5.7 of the Lease Agreement and Section 506 of this Indenture.

"Construction Contracts" means the contracts for the construction of the Project, by and between the City and the Construction Contractors.

"Construction Contractors" means, collectively, the contractors who enter into Construction Contracts for the construction of all or any part of the Project.

"Construction Costs" means all reasonable and necessary expenses incidental to the acquisition (by lease or purchase) of real and personal property, construction, equipping and installing of furnishings and equipment for St. Louis Jail Facilities including the City Justice Center or any part thereof including without limitation architectural, engineering legal, financial, administrative and accounting services relating thereto, the cost of all machinery, fixtures and equipment necessary or desirable in connection with the Project, costs as may be necessary or incidental to the Project and any and all other costs which in the opinion of Bond Counsel constitute construction expenditures within the meaning of Section 148(f)(4)(B)(i)(b) of the Code.

"Corporation" means the St. Louis Municipal Finance Corporation, a corporation organized under the Missouri Nonprofit Corporation Act, and its successors and assigns and any surviving, resulting or transferee corporation as provided in Section 16.1 of the Lease Agreement.

"Corporation Representative" means the person or persons at the time designated to act on behalf of the Corporation in matters relating to the Base Lease, the Lease Agreement and this Indenture as evidenced by a written certificate furnished to the City and the Trustee containing the specimen signature of such person or persons and signed on behalf of the Corporation by its President or any Vice President. Such certificate may designate an alternate or alternates, each of whom shall be entitled to perform all duties of the Corporation Representative.

"Cost" or "Costs" means all Construction Costs, and all reasonable and necessary expenses of or incidental to the Project directly or indirectly payable or reimbursable by the Corporation and costs reasonable and necessary and

related to the authorization, sale and issuance of Bonds with respect to the Project, including but not limited to, legal, organizational, marketing or other special services; financial or underwriting fees and expenses and any other fees and expenses incurred including the costs of Credit Enhancement, if any; filing and recording fees; initial fees and charges of the Trustee; expenses of feasibility studies; title insurance policies and all other reasonable, necessary and incidental expenses, provided, that, any legal fees of the Corporation with respect to the Bonds shall be as pre-approved by the Comptroller prior to issuance of any Series of Bonds.

"Costs of Issuance Fund" means the Leasehold Revenue Improvement Bonds Costs of Issuance Fund created by Section 501 of this Indenture.

"Counsel" means an attorney duly admitted to practice law before the highest court of any state and, without limitation, may include legal counsel for either the City or the Corporation.

"Credit Enhancement" means a letter of credit, surety bond or municipal bond new issue insurance policy or policies, if any, issued by the Credit Provider guaranteeing, providing for or insuring the payment when due of the principal of, and the interest on, one or more series of Bonds as provided therein.

"Credit Provider" means the issuer or issuers of any Credit Enhancement, pursuant to or identified in any Supplemental Indenture authorizing the issuance of a Series of Bonds.

"Dated Date" means the Dated Date on any series of Bonds as set forth in any supplemental indenture related to such series of Bonds.

"Debt Service Reserve Fund" means the Leasehold Revenue Improvement Bonds Debt Service Reserve Fund created in Section 502 of this Indenture.

"Debt Service Reserve Fund Deposits" means with respect to any Series of Bonds the deposits into the Debt Service Reserve Fund, if any, required by the Supplemental Indenture authorizing such Series of Bonds.

"Debt Service Reserve Fund Requirement" means the least of (a) the maximum annual debt service on the Bonds Outstanding, (b) 10% of the original proceeds of each Series of Bonds or (c) 125% of the average annual debt service requirements on the Bonds. The Debt Service Reserve Fund Requirement may be satisfied by Debt Service Reserve Fund Deposits in cash or in partial substitution or in lieu of cash by an insurance policy, letter of credit, line of



credit or surety bond or similar liquidity or credit facility guaranteeing payments into the Debt Service Reserve Fund in the amount of the Debt Service Reserve Fund Requirement which facility shall be issued by an entity that is rated in one of the two highest rating categories by any rating agency which rates such facility.

"Defeasance Obligations" means direct obligations of, or obligations guaranteed by, the Department of the Treasury of the United States of America (including obligations issued or held in book-entry form) which are non-callable. The value of Defeasance Obligations shall be determined as provided in the definition of "Value" herein.

"Event of Default" means (a) with respect to the Lease Agreement any Event of Default as defined in Section 12.1 of the Lease Agreement, and (b) with respect to this Indenture any Event of Default as defined in Section 901 of this Indenture.

"Event of Non-Appropriation" means the failure of the City to appropriate sufficient funds for the payment of Rentals and Additional Rentals for the succeeding Fiscal Year.

"First Supplemental Indenture" means the First Supplemental Indenture of Trust dated as of even date herewith between the Corporation and the Trustee authorizing the issuance of Series 1996 Bonds.

"Fiscal Year" means the fiscal year now or hereafter adopted by the Corporation and, with respect to the City, its fiscal year currently beginning on July 1 of each calendar year.

"Fitch" shall mean Fitch Investors Service, Inc., a corporation organized and existing under the laws of the State of New York, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, Fitch shall mean any other nationally recognized securities rating agency designated by the Corporation, with the approval of the City, by notice to the Trustee and the City.

"Full Replacement Value" means the actual replacement cost of any component of the St. Louis Jail Facilities, exclusive of land, excavations, footings, foundations and parking lots, but in no event shall such value be less than the principal amount of the Bonds at the time Outstanding.

"Impositions" means those taxes, assessments and other impositions defined in Article VI of the Lease Agreement.

"Improvements" means the improvements, fixtures and equipment constituting a part of the St. Louis Jail Facilities now or hereafter attached and all replacements thereto.

"Indenture" means this Indenture of Trust dated as of the Dated Date, between the Corporation and the Trustee authorized by the Resolution, as from time to time amended and supplemented in accordance with the provisions of Article XI of this Indenture.

"Interest Payment Date," with respect to any Series of Bonds, shall have the meaning specified in the Supplemental Indenture authorizing such Series of Bonds.

"Lease Agreement" means the Lease Purchase Agreement dated as of the date hereof between the Corporation and the City, as from time to time supplemented or amended in accordance with Article XIV of the Lease Agreement and Article XII of this Indenture.

"Master Indenture" means this Indenture of Trust, dated as of the Dated Date, by and between the Corporation and the Trustee.

"Maturity" means, with respect to any Bond, the date on which the principal of such Bond becomes due and payable as therein or herein provided, whether at the Stated Maturity or by declaration or acceleration or call for redemption or otherwise.

"Moody's" shall mean Moody's Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, Moody's shall mean any other nationally recognized securities rating agency designated by the Corporation, with the approval of the City, by notice to the Trustee and the City.

"Non-Arbitrage Certificate" means the non-arbitrage certificate and any exhibit attached thereto relating to a Series of Bonds executed by the Corporation on the date of closing of such Series of Bonds.

"Ordinance" means Ordinance No. \_\_\_\_\_ of the City enacted on \_\_\_\_\_, 1996, which authorized, among other things, the issuance, sale and delivery of the City Justice Center Leasehold Revenue Improvement Bonds, Series 1996A and the City Justice Center Leasehold Revenue Improvements and Refunding Bonds, Series 1996B, in accordance with this Indenture and Supplemental Indenture, and any amendments or supplements thereto and any other ordinance providing for the issuance of a Series of Bonds hereunder.

"Outstanding" means, when used with reference to Bonds, as of a particular date, all Bonds theretofore authenticated and delivered, except:

- (a) Bonds theretofore cancelled by the Trustee or delivered to the Trustee for canceling;
- (b) Bonds which are deemed paid under Section 1302 of this Indenture;
- (c) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered pursuant to this Indenture; and
- (d) Bonds held by or for the account of the Corporation, the City or any person controlling, controlled by or under common control with either of them for purposes of any consent or other action to be taken by the holders of a specified percentage of Bonds outstanding under this Indenture, the Base Lease or the Lease Agreement.

"Paying Agent" means the Trustee when acting in such capacity under this Indenture.

"Permitted Encumbrances" means:

- (a) with regard to the City Justice Center, such easements, encumbrances and restrictions as are identified in Schedule B of the title company's commitment for title insurance effective on the date on which the City acquires title to the Property through condemnation or purchase.
- (b) any financing statements relating to this Indenture, the Base Lease or the Lease Agreement;
- (c) Impositions which are not then delinquent, or if then delinquent, are being contested in accordance with Section 6.2 of the Lease Agreement;
- (d) utility, access and other easements and rights-of-way, restrictions and exceptions, including operating agreements or leases, which will not interfere

with or impair any of which may be necessary to the operation of the St. Louis Jail Facilities (or, if it is not being operated, the operation for which it was designed or last modified);

(e) any mechanic's, laborer's, materialman's, supplier's or vendor's lien or rights in respect thereof if payment is not yet due under the contract in question or if such lien is being contested in accordance with Section 9.2 of the Lease Agreement;

(f) such minor defects and irregularities of title as normally exist with respect to properties similar in character to the Property and which the Corporation certifies do not materially adversely affect the value of the St. Louis Jail Facilities or impair the Property affected thereby for the purpose for which it was acquired or is held by the Corporation;

(g) zoning laws and similar restrictions which are not violated by the St. Louis Jail Facilities;

(h) the Base Lease; and

(i) the Lease Agreement.

"Permitted Investments" means for all purposes other than (a) investments in escrow accounts and (b) investing and receiving credit for accrued and capitalized interest:

(1) direct non-callable obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, provided, that the full faith and credit of the United States of America must be pledged to any such direct obligation or guarantee ("Government Obligations");

(2) direct obligations and fully guaranteed certificates of beneficial interest of the Export-Import Bank of the United States; consolidated debt obligations and letter of credit-backed issues of the Federal Home Loan Banks; participation certificates and senior debt obligations of the Federal Home Loan Mortgage Corporation ("FHLMCs"); debentures of the Federal Housing Administration; mortgage-backed securities (except stripped mortgage securities which are valued greater than par on the portion of unpaid principal) and senior debt obligations of the Federal National Mortgage Association ("FNMA's"); participation certificates of the General Services Administration; guaranteed mortgage-backed securities and guaranteed participation certificates of the

Government National Mortgage Association ("GNMAs"); guaranteed participation certificates and guaranteed pool certificates of the Small Business Administration; debt obligations and letter of credit-backed issues of the Student Loan Marketing Association; local authority bonds of the U.S. Department of Housing and Urban Development; guaranteed Title XI financings of the U.S. Maritime Administration; guaranteed transit bonds of the Washington Metropolitan Area Transit Authority; Resolution Funding Corporation securities;

(3) direct obligations of any state of the United States of America or any subdivision or agency thereof whose unsecured, uninsured and unguaranteed general obligation debt is rated, at the time of purchase, by two of the three rating agencies as follows (but in all cases inclusive of Moody's if Moody's has rated any of the Bonds at the time outstanding): "A" or better by Moody's, "A" or better by S&P and "A" or better by Fitch, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured, uninsured and unguaranteed general obligation debt is rated, at the time of purchase, "A" or better by Moody's, "A" or better by S&P and "A" or better by Fitch;

(4) federal funds, unsecured certificates of deposit, time deposits or bankers acceptances (in each case having maturities of not more than 365 days) of any domestic bank including a branch office of a foreign bank which branch office is located in the United States, provided legal opinions are delivered to the Credit Provider to the effect that full and timely payment of such deposit or similar obligation is enforceable against the principal office or any branch of such bank, which, at the time of purchase, has a short-term "Bank Deposit" rating by two of the three rating agencies as follows (but in all cases inclusive of Moody's if Moody's has rated any of the Bonds at the time outstanding): "P-1" by Moody's, a "Short-Term CD" rating of "A-1" or better by S&P and a "Short-Term CD" rating of "A-1" or better by Fitch;

(5) deposits of any bank or savings and loan association which has combined capital, surplus and undivided profits of not less than \$3 million, provided such deposits are continuously and fully insured by the Bank Insurance Fund or the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation and provided that the rating of such bank or savings and loan association shall be at least equal to the rating of the Bonds;

(6) commercial paper which is rated at the time of purchase by two of the three rating agencies as follows (but in all cases inclusive of Moody's if Moody's has rated any of the Bonds at the time outstanding): in the single highest

classification, by "A-1" by S&P, "P-1" by Moody's and "A-1" by Fitch, and which matures not more than 270 days after the date of purchase;

(7) investments in a money market fund rated by two of the three rating agencies as follows (but in all cases inclusive of Moody's if Moody's has rated any of the Bonds at the time outstanding): "AAAm" or "AAAm-G" or better by S&P "AAA" as a long term or short term rating by Moody's and "AAA" or "F-1+" by Fitch;

(8) repurchase agreements meeting the following criteria:

Repurchase agreements collateralized by Direct Obligations, GNMA's, FNMA's or FHLMC's with any registered broker/dealer subject to the Securities Investors' Protection Corporation jurisdiction or any commercial bank insured by the FDIC, if such broker/dealer or bank has an uninsured, unsecured and unguaranteed obligation rated by two of the three rating agencies as follows (but in all cases inclusive of Moody's if Moody's has rated any of the Bonds at the time outstanding): "P-1" or "A3" or better by Moody's, "A-1" or "A-" or better by S&P and "A-1" or "A" or better by Fitch, provided:

- a. a master repurchase agreement or specific written repurchase agreement governs the transaction; and
- b. the securities are held free and clear of any lien by the Trustee or an independent third party acting solely as agent ("Agent") for the Trustee, and such third party is (i) a Federal Reserve Bank, (ii) a bank which is a member of the Federal Deposit Insurance Corporation and which has combined capital, surplus and undivided profits or not less than \$50 million or (iii) a bank approved in writing for such purpose by the Credit Provider, and the Trustee shall have received written confirmation from such third party that it holds such securities, free and clear of any lien, as agent for the Trustee; and
- c. a perfected first security interest under the Uniform Commercial Code, or book entry procedures prescribed at 31 C.F.R. 306.1 et seq. or 31 C.F.R. 350.0 et seq. in such securities is created for the benefit of the Trustee; and
- d. the repurchase agreement has a term of 180 days or less, and the Trustee or the Agent will value the collateral securities no less frequently than weekly and will liquidate the collateral securities if any deficiency in the required collateral percentage is not restored within two business days of such valuation; and

e. the fair market value of the securities in relation to the amount of the repurchase obligation, including principal and interest is equal to at least 103%.

(9) investment contracts (which term shall not include repurchase agreements) with an institution that has either unsecured, unguaranteed and uninsured commercial paper rated in its highest rating category or unsecured, unguaranteed and uninsured long-term obligations rated in its highest or higher rating category by a rating agency but not lower than the rating assigned to the Bonds, or each rating agency that maintains a rating on such obligations if the obligations are rated by more than one rating agency.

(10) other forms of investments approved in writing by S&P, Fitch and Moody's (to the extent that each of such rating agency has rated any Bonds at the time Outstanding).

The value of Permitted Investments shall be determined as provided in the definition of "Value" herein.

"Plans and Specifications" means the Plans and Specifications for the City Justice Center any amendments and additions thereto, and any change orders thereto.

"Pledge Agreement" shall have the meaning ascribed thereto in the First Supplemental Indenture.

"Pledge Revenues" shall have the meaning ascribed thereto in the First Supplemental Indenture.

"Project Fund" means the Leasehold Revenue Improvement Bonds Project Fund created in Section 502 of this Indenture.

"Project" means such project as may be authorized by the Corporation and financed with the issuance of Bonds pursuant to this Indenture and the Supplemental Indenture applicable thereto.

"Property" means the real property described in Schedule I to the Lease Agreement and situated in the City including all streets and roads adjoining thereto and all easements and rights of way now or hereafter used in connection therewith together with all land lying in the bed of any street or road, open or proposed, in front of or adjoining such site to the center line thereof now or hereafter used in connection with such site or any real property which the City substitutes for the property described on Tract II on such Schedule I.

"Rebate Fund" means the Leasehold Revenue Improvement Bonds Rebate Fund established in Section 601 hereof.

"Record Date" shall, with respect to any Series of Bonds, have the meaning specified in the Supplemental Indenture authorizing such Series of Bonds but in no event shall be less than ten (10) days prior to the following Interest Payment Date or Maturity.

"Redemption Date", when used with respect to any Bond to be redeemed, means the date fixed for redemption pursuant to this Indenture and the Supplemental Indenture applicable thereto.

"Redemption Notice Information" means information in a written and dated notice from the Trustee which (a) identifies the Bonds to be redeemed by the name of the issue (including the name of the issuer and any series designation), CUSIP number, if any, date of issue, interest rate, maturity and any other descriptive information the Trustee deems desirable to accurately identify the Bonds to be redeemed and, if only a portion of the Bonds will be redeemed, the certificate numbers and the principal amount of the Bonds to be redeemed, (b) identifies the date on which the notice is published and the Redemption Date, (c) states the price at which the Bonds will be redeemed, (d) states that interest on the Bonds or the portions of Bonds called for redemption will stop accruing from the Redemption Date if funds sufficient for their redemption and available for that purpose are on deposit with the Trustee on the Redemption Date, (e) states that payment for the Bonds will be made on the Redemption Date at the principal corporate trust office of the Trustee during normal business hours upon the surrender of the Bonds to be redeemed in whole or in part and (f) identifies by name and telephone number a representative of the Trustee who may be contacted for additional information.

"Refunding Bonds" means bonds issued to refund any Series of Bonds or portion thereof then Outstanding.

"Rentals" or "Rent" means those payments required to be made by the City pursuant to Section 4.1 of the Lease Agreement.

"Resolution" means the Resolution adopted by the Board of Directors of the Corporation authorizing, among other things, the issuance, sale and delivery of City Justice Center Leasehold Revenue Improvement Bonds, Series 1996A and City Justice Center Leasehold Revenue Improvement and Refunding Bonds Series 1996B, and the execution of certain documents related thereto in accordance with this Indenture and a Supplemental Indenture and any



amendments or supplements thereto and any other resolution providing for the issuance of a Series of Bonds hereunder.

"S&P" means Standard & Poor's, a division of McGraw-Hill, Inc., a corporation organized and existing under the laws of the State of New York, its successors and their assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "S&P" shall mean any other nationally recognized securities rating agency designated by the Corporation, with the approval of the City, by notice to the Trustee and the City.

"Series" means all of the Bonds delivered on original issuances in a simultaneous transaction and identified pursuant to Section 209 or pursuant to a Supplemental Indenture authorizing the issuance of such Bonds as a separate Series, and any Bonds thereafter delivered in lieu of or in substitution for such Bonds pursuant to this Indenture, regardless of variations in maturity, interest rate, or other provisions. If a Series of Bonds is sold in installments, Series shall mean all of the Bonds of such installment.

"Series 1996A Bonds" means the City Justice Center Leasehold Revenue Improvement Bonds, Series 1996A, authorized by Article II of the First Supplemental Indenture.

"Series 1996B Bonds" means the City Justice Center Leasehold Revenue Improvement and Refunding Bonds, Series 1996B, authorized by Article II of the First Supplemental Indenture

"State" means the State of Missouri.

"Stated Maturity" means, when used with respect to any Bond, the date specified in this Indenture or in any Supplemental Indenture authorizing Additional Bonds as the fixed date on which the principal of such Bond is due and payable.

"St. Louis Jail Facilities" means the existing medium security correctional facility, improvements to be acquired, constructed, installed and equipped, if any, situated on the Property described on Schedule I to the Lease Agreement, together with all improvements and equipment thereon, the City Justice Center to be constructed with proceeds of the Series 1996A Bonds and any additional jail facilities constructed with the proceeds of Additional Bonds.

"Supplemental Base Lease" means any lease supplemental or amendatory to the Base Lease entered into by the City and the Corporation pursuant to Section 7.3 of the Base Lease.

"Supplemental Indenture" means any indenture supplemental or amendatory to this Indenture entered into by the Corporation and the Trustee pursuant to Article XI of this Indenture.

"Supplemental Lease Agreement" means any lease purchase agreement supplemental or amendatory to the Lease Agreement entered into by the Corporation and the City pursuant to Article XIV of the Lease Agreement and Article XII of this Indenture.

"Term" or "Lease Term" means the term of the Lease Agreement beginning as of August 1, 1996 and ending (i) the last day of the then current Fiscal Year of the City during which there occurs an Event of Non-Appropriation with respect to the City; (ii) the date on which there occurs an Event of Default with respect to the City under the Lease Agreement if the Corporation or the Trustee elects such remedy pursuant to the Lease Agreement (iii) the date upon which all Rentals and Additional Rentals, as the case may be, required under the Lease Agreement shall be paid by the City or (iv) upon the discharge of the Indenture as provided in the Indenture.

"Treasurer" means the Treasurer of the City.

"Trust Estate" means the Trust Estate described in the Granting Clauses of this Indenture.

"Trustee" means Mark Twain Bank, St. Louis, Missouri, as trustee under this Indenture and any successors or assigns.

"United States Government Obligations" means bonds, notes, certificates of indebtedness, treasury bills, or other securities constituting direct obligations of the United States of America or obligations the payment of the principal of and interest of which are fully and unconditionally guaranteed by the United States of America.

"Value" means the value, determined as of the end of each month, of Permitted Investments and/or Defeasance Obligations (together, "investments") which shall be calculated as follows:

(a) as to investments the bid and asked prices of which are published on a regular basis in The Wall Street Journal (or, if not there, then in The New York Times or other national publication acceptable to the Trustee): the average of the bid and asked prices for such investments so published at or most recently prior to such time of determination;

(b) as to investments the bid and asked prices of which are not published on a regular basis in The Wall Street Journal (if not there, then in the alternative, The New York Times or other national publication acceptable to the Trustee): the average bid price at such time of determination for such investments by any two nationally recognized government securities dealers (selected by the Trustee in its absolute discretion) at the time making a market in such investments or the bid price published by a nationally recognized pricing service;

(c) as to certificates of deposit and bankers acceptances: the face amount thereof, plus accrued interest; and

(d) as to any investment not specified above: the value thereof established by prior agreement between the Corporation, the Trustee and the Credit Provider.

"Written Request" with reference to the Corporation means a request in writing signed by the Corporation Representative and with reference to the City means a request in writing signed by the City Representative, or any other officers designated by the Corporation or the City, as the case may be, to sign such Written Requests.

Section 102. Rules of Construction. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, the words importing the singular number shall include the plural and vice versa, and words importing person shall include firms, associations and corporations, including public bodies, as well as natural persons.

The table of contents hereto and the headings and captions herein are not a part of this document.

Section 103. Accounting Terms. Accounting terms used herein and not otherwise specifically defined shall have the meaning ascribed to such terms by generally accepted accounting principles as from time to time in effect.

## ARTICLE II THE BONDS

Section 201. Title and Amount of Bonds. No Bonds may be issued under this Indenture except in accordance with this Article II. The Bonds shall be designated as "Leasehold Revenue Improvement Bonds, Series \_\_\_\_" or as hereinafter provided in Section 210 with such further appropriate particular designation added to or incorporated in such title for the Bonds of any particular Series as the Corporation may determine.

Section 202. Nature of Obligations. The Bonds and the interest thereon shall be special obligations of the Corporation payable solely out of the Rentals and other revenues, moneys and receipts derived by the Corporation pursuant to the Lease Agreement, and are secured by a pledge and assignment of the Trust Estate to the Trustee in favor of the Bondholders, as provided in this Indenture and no incorporator, member, agent, employee, director or officer of the Corporation or the City shall at any time or under any circumstances be individually or personally liable under this Indenture or the Lease Agreement for anything done or omitted to be done by the Corporation thereunder. The Bonds and the interest thereon shall not be a debt of the City or the State and the City and the State shall not be liable thereon, and the Bonds shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

Section 203. Form, Denomination and Dating of Bonds.

1. The Bonds shall be issuable as fully registered Bonds without coupons transferable to subsequent owners as hereinafter provided.
2. The forms of the Bonds and the Trustee's Certificate of Authentication to be endorsed thereon shall be as set forth in the Supplemental Indenture authorizing a particular Series of Bonds. Any Additional Bonds and the Trustee's Certificate of Authentication to be endorsed thereon shall also be in the form set forth in the Supplemental Indenture authorizing the respective Series of Bonds, with such necessary or appropriate variations, omissions and insertions as are permitted or required by this Indenture or the Supplemental Indenture authorizing such Series of Bonds. The Bonds may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any custom, usage or requirement of law with respect thereto.

3. Bonds of each Series shall be dated and shall have such denominations as provided in this Indenture or the Supplemental Indenture authorizing such Series of Bonds. Bonds of each Series shall bear interest from the most recent Interest Payment Date to which interest has been paid in full or, if no interest has been paid, from their dated date. Interest on Bonds shall be payable on each Interest Payment Date.

4. The Bonds of any Series, if so provided in a Supplemental Indenture authorizing same, may be evidenced in book-entry form without certificates.

#### Section 204. Method and Place of Payment of Bonds; Interest Rights Preserved.

1. The principal of, and redemption premium, if any, and interest (computed on the basis of a 360-day year consisting of twelve 30-day months) on, the Bonds shall be payable in any coin or currency of the United States of America which on the respective dates of payment thereof is legal tender for the payment of public and private debts.

2. Payment of the principal of and redemption premium, if any, shall be made upon the presentation and surrender of such Bonds at their respective Maturities at the principal corporate trust office of the Paying Agent. Payment of the interest on each Bond shall be made by the Paying Agent on each Interest Payment Date to the Registered Owner thereof at the close of business on the Record Date next preceding said Interest Payment Date by check or draft mailed to such Bondholder at his address as it appears on the Bond Register. Upon written request to the Paying Agent by the Holder, as of the Record Date, of at least \$1,000,000 principal amount of the Bonds, principal of and interest on the Bonds payable subsequent to the Record Date on or after which such notice is received shall be made by wire transfer to an account designated by such Holder or in such other manner as such Bondholder and the Paying Agent may determine.

Subject to the foregoing provisions of this Section, each Bond delivered under this Indenture upon transfer of or in exchange for or in lieu of any other Bond shall carry the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bond.

#### Section 205. Execution and Authentication of Bonds.

1. The Bonds shall be executed on behalf of the Corporation by the manual or facsimile signature of its President or any of its Vice Presidents and attested by

the manual or facsimile signature of its Secretary or any of its Assistant Secretaries, and shall have the corporate seal of the Corporation affixed thereto or imprinted or reproduced thereon. In case any officer whose signature or facsimile thereof appears on any Bonds shall cease to be such officer before the delivery of such Bonds, such signature or facsimile thereof shall nevertheless be valid and sufficient for all purposes, the same as if such person had remained in office until delivery. Any Bond may be executed by such persons as shall be the proper officers to sign such Bond at the actual time of the execution of such Bond although at the date of such Bond such persons may not have been such officers.

2. The Bonds shall have endorsed thereon a Certificate of Authentication substantially in the form set forth in the Supplemental Indenture authorizing such Bonds, which shall be manually executed by the Trustee. No Bond shall be entitled to any security or benefit under this Indenture or shall be valid or obligatory for any purpose unless and until such Certificate of Authentication shall have been duly executed by the Trustee. Such executed Certificate of Authentication upon any Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Indenture. The Certificate of Authentication on any Bond shall be deemed to have been duly executed if signed by any authorized officer or employee of the Trustee, but it shall not be necessary that the same officer or employee sign the Certificate of Authentication on all of the Bonds that may be issued hereunder at any one time.

#### Section 206. Registration, Transfer and Exchange of Bonds.

1. The Trustee is hereby appointed Bond Registrar for the purpose of registering and transferring Bonds and as such shall keep the Bond Register as provided in this Indenture. All of the Bonds and all transfers and all exchanges thereof shall be fully registered as to principal and interest in the Bond Register.

2. Subject to any restrictions imposed by any Supplemental Indenture relating to global bond certificates in the event Bonds are issued in book-entry only form, Bonds may be transferred in the Bond Register only upon surrender thereof to the Trustee duly endorsed for transfer or accompanied by a written instrument of transfer duly executed by the Registered Owner thereof or his attorney or legal representative in such form as shall be satisfactory to the Trustee. Upon any such transfer, the Corporation shall execute and the Trustee shall authenticate and deliver in exchange for such Bond, a new Bond or Bonds, registered in the name of the transferee, of any denomination or

denominations authorized by this Indenture or the Supplemental Indenture authorizing such Bonds in an aggregate principal amount equal to the principal amount of such Bond, of the same Series and Stated Maturity and bearing interest at the same rate.

3. Bonds, upon surrender thereof at the principal corporate trust office of the Trustee, together with a written instrument of transfer duly executed by the Registered Owner thereof or his attorney or legal representative in such form as shall be satisfactory to the Trustee, may, at the option of the Registered Owner thereof, be exchanged for an equal aggregate principal amount of Bonds of the same Series and Stated Maturity, of any denomination or denominations authorized by this Indenture, and bearing interest at the same rate.

4. In all cases in which Bonds shall be exchanged or transferred as provided in this Indenture, the Corporation shall execute and the Trustee shall authenticate and deliver at the earliest practicable time Bonds in accordance with this Indenture. All Bonds surrendered in any such exchange or transfer shall forthwith be cancelled by the Trustee. No service charge shall be made to any Bondholder for registration, transfer or exchange of Bonds, but the Corporation or the Trustee may make a charge for every such exchange or transfer of Bonds sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or transfer, and such charge shall be paid before any such transfer or exchange shall be completed.

5. Neither the Corporation nor the Trustee shall be required (i) to issue, transfer or exchange any Bond during a period beginning at the opening of business 15 days preceding the date of mailing a notice of redemption for Bonds selected for redemption under Section 303 and ending at the close of business on the day of such mailing or (ii) to transfer or exchange any Bond so selected for redemption in whole or in part.

Section 207. Persons Deemed Owners of Bonds. The person in whose name any Bond shall be registered shall be deemed and regarded by the Corporation, the Trustee and the Paying Agent as the absolute owner thereof, whether such Bond shall be overdue or not, for the purpose of receiving payment thereof or on account thereof and for all purposes, and neither the Corporation, the Trustee nor the Paying Agent shall be affected by notice to the contrary. Payment of or on account of the principal of, and redemption premium, if any, and interest on any Bond shall be made only to or upon the order of the Registered Owner thereof or his legal representative. All such payments shall be valid and effective to satisfy and discharge the liability upon such Bond,

including the redemption premium, if any, and interest thereon, to the extent of the sum or sums so paid.

#### Section 208. General Provisions for Issuance of Bonds.

(a) All (but not less than all) of the Bonds of each Series shall be executed by the Corporation for issuance under this Indenture and delivered to the Trustee for authentication, but prior to or simultaneously with the authentication and delivery of the Bonds, the following items, when necessary, shall be filed with the Trustee, except as provided in clause (vii) of this paragraph:

(i) A copy of (a) this Indenture and any applicable resolutions, (b) the Base Lease, (c) the Lease Agreement, (d) any Supplemental Indenture and any Supplemental Lease Agreement, and (e) the Pledge Agreement, each certified by the Corporation Representative;

(ii) A copy of the Ordinance certified by the City Representative;

(iii) An opinion of Counsel to the Corporation to the effect that (A) the Corporation has (or had with respect to the issuance of Additional Bonds), the right and power to execute and deliver this Indenture and any supplements thereto, and this Indenture has been duly and lawfully executed and delivered by the Corporation and is valid and binding upon the Corporation in accordance with its terms; (B) this Indenture creates a valid pledge of the Trust Estate under this Indenture; (C) the Bonds of such Series have been duly and validly authorized and issued in accordance with this Indenture and are valid and binding obligations of the Corporation, enforceable in accordance with their terms and entitled to the benefits of this Indenture; and (D) the interest on the Bonds of such Series is not includable in gross income for purposes of Federal income taxation; provided, that Counsel may qualify such opinion insofar as the same relates to enforceability with respect to bankruptcy, insolvency, moratorium, reorganization or other laws affecting creditors' rights generally;

(iv) In the case of each Series of Additional Bonds, copy of the supplement or amendment to the Pledge Agreement, if necessary, and a copy of the Supplemental Indenture authorizing such Bonds, certified by the Corporation Representative, which shall, among other provisions, specify: (A) the authorized principal amount, designation and Series of such Bonds; (B) purposes for which such Series of Bonds is being issued; (C) the date, and the Stated Maturities of the Bonds of such Series; (D) the interest rate or rates of the Bonds of such Series and the Interest Payment Dates therefor; (E) the Authorized Denominations of, and the manner of dating, numbering and



lettering of the Bonds of such Series; (F) the Paying Agent or Paying Agents and the place or places of payment of the principal and redemption price, if any, of, and interest on, the Bonds of such Series; (G) the redemption price or prices, if any, and, subject to Article III hereof, the redemption terms for the Bonds of such Series; (H) the amount and due date of sinking fund installments, if any, for Bonds of like maturity of such Series, provided that each sinking fund installment due date shall occur on an Interest Payment Date; (I) if so determined by the Corporation, provisions for the sale of the Bonds of such Series; (J) if such Bonds are to be issued in global book-entry-only form, the applicable provisions relating thereto; (K) the amount (or the method of determining the amount) to be deposited from the proceeds of such Series of Bonds in a Debt Service Reserve Fund for such Bonds, if any; and (L) the forms of the Bonds of such Series and the Certificate of Authentication to be endorsed thereon;

(v) A request and authorization to the Trustee, on behalf of the Corporation, executed by a Corporation Representative, to authenticate the Bonds and to deliver said Bonds to the purchasers therein identified upon payment to the Trustee, for the account of the Corporation, of the purchase price thereof. The Trustee shall be entitled to conclusively rely upon such request and authorization as to the names of the purchasers and the amount of such purchase price;

(vi) In the case of each Series of Additional Bonds, an opinion of Bond Counsel to the effect that the issuance of such Additional Bonds will not result in the interest on any Bonds then Outstanding becoming includable in gross income for purposes of Federal income taxation; and

(vii) Such further documents, moneys and securities which are required by the provisions of any Supplemental Indenture authorizing such Bonds.

(b) After the issuance of Bonds of any Series, no Bonds of such Series shall be issued except in lieu of or in substitution for other Bonds of such Series pursuant to Article II hereof.

#### Section 209. Initial Issues of Bonds.

(a) There is hereby authorized two initial issues of Bonds composed of Bonds which shall be designated "City Justice Center Leasehold Revenue Improvement Bonds, Series 1996A" and "City Justice Center Leasehold Revenue Improvement and Refunding Bonds, Series 1996B" (collectively the "Series 1996 Bonds") which shall be issued in a combined aggregate principal

amount not to exceed \$135,000,000, as provided in the Ordinance and the Supplemental Indenture authorizing the Series 1996 Bonds for the purpose of refunding the Series 1992 Bonds and paying a portion of the Costs.

(b) Proceeds, including accrued interest, if any, of the Series 1996 Bonds shall be applied as provided in the Supplemental Indenture authorizing the Series 1996 Bonds.

#### Section 210. Additional Bonds.

1. So long as no event has occurred and is continuing which, with the passage of time or otherwise, would become an Event of Default under this Indenture or the Lease Agreement (unless such Additional Bonds are Refunding Bonds or are being issued to cure such event), Additional Bonds may be issued under and equally and ratably secured by this Indenture on a parity with the Series 1996 Bonds and any other outstanding Additional Bonds, at any time and from time to time upon compliance with the conditions provided in this Section, for the purpose of

(a) paying the Costs of completing the Project, such cost to be evidenced by a certificate signed by a City Representative and a Corporation Representative with the prior written consent of the Credit Provider,

(b) providing funds for refunding all or any part of the Bonds then Outstanding of any Series, including the payment of any redemption premium thereon and interest to accrue to the designated Redemption Date and any expenses in connection with such refunding.

2. Before any Additional Bonds shall be issued the Corporation shall adopt a resolution authorizing the issuance of such Additional Bonds, fixing the amount and terms thereof and describing the purpose or purposes for which such Additional Bonds are being issued, authorizing the Corporation to enter into a Supplemental Indenture for the purpose of issuing such Additional Bonds, and, if necessary, authorizing the Corporation to enter into a Supplemental Lease Agreement or other security instruments, to provide for the use of the proceeds of such Additional Bonds and payments at least sufficient to pay the principal of, and redemption premium, if any, and interest on, the Bonds then to be Outstanding as the same become due and for such other matters as are appropriate because of the issuance of such Additional Bonds.

3. Such Additional Bonds shall have the same designation as the Series 1996 Bonds, except for an identifying series letter or date and except, if appropriate,

for the substitution of the word "Refunding" in lieu of "Improvement" in the case of Refunding Bonds, shall be numbered, shall bear interest at such rate or rates not exceeding the maximum rate then permitted by law, shall be stated to mature and shall be redeemable at such times and prices (subject to Article III hereof), all as may be provided by the Supplemental Indenture authorizing such Additional Bonds. The Pledge Agreement shall be amended, if necessary, in connection with the issuance of such Additional Bonds. Except as to any difference in the date, the Stated Maturities, the rate or rates of interest or the provisions for redemption, such Additional Bonds shall be entitled to the same benefit and security of this Indenture as the Series 1996 Bonds. No Refunding Bonds shall be issued to refund all or a portion of Bonds Outstanding unless such Outstanding Bonds shall be deemed defeased under this Indenture upon completion of such refunding and the total debt service due shall be no greater than such total debt service would have been without the refunding of such Outstanding Bonds.

4. Nothing in this Indenture shall prohibit the Corporation from issuing bonds for any permissible purpose under separate indentures of trust.

5. Before any Additional Bonds may be issued, any supplement or amendment to the Pledge Agreement, if necessary, shall have been made and entered into.

Section 211. Mutilated, Lost, Stolen or Destroyed Bonds. In the event any Bond shall become mutilated, or be lost, stolen or destroyed, the Corporation shall execute and the Trustee shall authenticate and deliver a new Bond of like date and tenor as the Bond mutilated, lost, stolen or destroyed; provided that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Trustee, and in the case of any lost, stolen or destroyed Bond, there shall be first furnished to the Corporation and the Trustee evidence of such loss, theft or destruction satisfactory to the Corporation and the Trustee, together with indemnity satisfactory to them to save each of them harmless. In the event any such Bond shall have matured, instead of issuing a substitute Bond the Corporation may authorize the payment of the same without surrender thereof. Upon the issuance of any substitute Bonds, the Corporation and the Trustee may require the payment of an amount sufficient to reimburse the Corporation and the Trustee for any tax or other governmental charge that may be imposed in relation thereto and any other reasonable fees and expenses incurred in connection therewith. The provisions of this Section 211 are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, lost, stolen or destroyed Bonds.

Section 212. Cancellation and Destruction of Bonds Upon Payment. All Bonds that have been paid, that the Trustee has purchased, that have been surrendered for transfer or exchange and that have otherwise been surrendered to the Trustee under this Indenture, either at or before maturity, shall be cancelled by the Trustee immediately upon the payment, redemption or purchase of such Bonds and the surrender thereof to the Trustee.

All Bonds cancelled under any of the provisions of this Indenture shall be delivered by the Trustee to the Corporation, or, upon request of the Corporation, shall be destroyed by the Trustee. The Trustee shall execute a certificate in triplicate describing the Bonds so delivered or destroyed, and shall file executed counterparts of such certificate with the Corporation and the City.

Section 213. Temporary Bonds. Until definitive bonds are ready for delivery, there may be issued, and upon request of the Corporation the Trustee shall authenticate and deliver, in lieu of definitive bonds and subject to the same limitations and conditions, temporary typewritten, printed, engraved or lithographed fully registered bonds, substantially of the tenor hereinabove set forth and with such appropriate omissions, insertions and variations as may be required.

Until definitive bonds are ready for delivery, any temporary bond may be exchanged at the principal corporate trust office of the Trustee, without charge to the Holder thereof, for an equal aggregate principal amount of temporary bonds of the like tenor of the same maturity and bearing interest at the same rate.

If temporary bonds shall be issued, the Corporation shall cause the definitive bonds to be prepared without unreasonable delay and to be executed and delivered to the Trustee, and the Trustee, upon presentation to it at its principal corporate trust office of any temporary bond, shall cancel the same and authenticate and deliver in exchange therefor, without charge to the holder thereof, a definitive bond or bonds of an equal aggregate principal amount, of the same maturity and bearing interest at the same rate as the temporary bond surrendered. Until so exchanged the temporary bonds shall in all respects be entitled to the sole benefit and security of this Indenture as the definitive bonds to be issued and authenticated hereunder.

### ARTICLE III REDEMPTION OF BONDS

Section 301. Redemption of Bonds Generally. The Bonds of each Series shall be subject to redemption prior to their Stated Maturity in accordance with this Article and the provisions of the Supplemental Indenture authorizing such Series of Bonds.

Section 302. Redemption in Event of Condemnation, Deficiency of Title, Fire or Other Casualty, or Change in Law or Circumstances. The Bonds shall be subject to extraordinary redemption and payment prior to their Stated Maturities by the Corporation, upon instructions from the City on any date upon the occurrence of any of the following conditions or events, provided the Bonds so redeemed are redeemed and paid according to their terms: (1) if title to, or the use of, substantially all of the St. Louis Jail Facilities is condemned by any authority having the power of eminent domain; (2) if the Corporation's interest in substantially all of the St. Louis Jail Facilities is found to be deficient or nonexistent to the extent that the St. Louis Jail Facilities is untenable or the efficient utilization of the St. Louis Jail Facilities by the City is impaired; (3) if substantially all of the St. Louis Jail Facilities are damaged or destroyed by fire or other casualty; or (4) if as a result of changes in the Constitution of the State, or of legislative or administrative action by the State or any political subdivision thereof, or by the United States, or by reason of any action instituted in any court, the Lease Agreement shall become void or unenforceable, or impossible of performance without unreasonable delay, or in any other way, by reason of such change of circumstances, unreasonable burdens or excessive liabilities are imposed on the City or the Corporation. Bonds redeemed pursuant to this Section shall be redeemed at a redemption price of 100% of the principal amount thereof, plus accrued interest thereon to the Redemption Date fixed for redemption and payment without a premium.

Section 303. Selection of Bonds to be Redeemed.

1. Bonds shall be redeemed in their Authorized Denominations. In the case of a partial redemption of Bonds of the same Series, the Bonds to be redeemed shall be selected by the Corporation, upon the direction of the City, from the Outstanding Bonds of that Series by lot or by such method as the Trustee shall deem fair and appropriate and which may provide for the selection for redemption of portions of the principal of Outstanding Bonds of that Series of a denomination larger than \$5,000.

The portions of the principal of Outstanding Bonds so selected for partial redemption shall be equal to \$5,000 or integral multiples thereof. Any Bond which is to be redeemed only in part shall be submitted to the Paying Agent and delivered to the Trustee, who shall authenticate and deliver to the Holder of

such Bond, without service charge, a new Bond or Bonds, of any authorized denomination as requested by such Holder in an aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bonds so surrendered. If the Holder of any Bond to be redeemed only in part shall fail to present such Bond to the Paying Agent for payment and exchange as aforesaid, such Bond shall, nevertheless, become due and payable on the Redemption Date to the extent of the principal amount of a Bond so called for redemption and accrued interest thereon (and to that extent only). If the Bonds are in the form of Global Bond Certificates, the partial redemption of such Bonds shall be governed by the agreement between the Corporation, the Trustee and the Depository.

2. The Trustee shall call Bonds for redemption and payment as herein provided upon receipt by the Trustee at least 45 days prior to the Redemption Date of a written request of the Corporation with the consent of the City. Such request shall specify the principal amount and Stated Maturities of Bonds so to be called for redemption, the applicable redemption price or prices and the provision or provisions of this Indenture or a Supplemental Indenture authorizing Additional Bonds pursuant to which such Bonds are to be called for redemption. The foregoing provisions of this paragraph shall not apply in the case of any mandatory redemption of Bonds pursuant to the mandatory redemption requirements of a Supplemental Indenture, and Bonds shall be called by the Trustee for redemption pursuant to such mandatory redemption requirements without the necessity of any action by the Corporation or the City and whether or not the Trustee shall hold in the Bond Fund or any other Bond Fund moneys available for and sufficient to effect the required redemption.

Section 304. Notice of Redemption. If and when any of the Bonds are called for redemption and payment prior to their Stated Maturity, the Trustee shall give written notice of said redemption and payment by first class mail, postage prepaid, mailed not less than 30 days nor more than 60 days prior to the Redemption Date to each Holder of Bonds to be redeemed, at the address appearing on the Bond Register. All notices of redemption shall include the following information:

- (a) The Redemption Date;
- (b) The redemption price;
- (c) If less than all Outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed;

(d) That on the Redemption Date, the redemption prices will become due and payable upon each such Bond, and that interest thereon shall cease to accrue from and after said date; and

(e) The place where such Bonds are to be surrendered for payment of the redemption price (which shall be the principal corporate trust office of the Trustee as Paying Agent).

The failure of the Holder of any Bond to be so redeemed to receive written notice mailed as herein provided shall not affect or invalidate the redemption of said Bond.

The Bond Registrar is also directed to comply with any mandatory or voluntary standards then in effect for processing redemptions of municipal securities established by the Securities and Exchange Commission. Failure to comply with such standards shall not affect or invalidate the redemption of any Bond to be redeemed.

Notice of the redemption of Bonds hereunder, other than mandatory sinking fund redemption and except with respect to any notice which refers to Bonds which are the subject of an advance refunding, shall be given only if sufficient funds have been deposited with the Trustee to pay the redemption price of the Bonds to be redeemed.

Section 305. Effect of Call for Redemption. Prior to any date fixed for redemption pursuant to Section 302 hereof and prior to the giving of notice of redemption of any Bonds pursuant to Section 304 hereof (unless such notice shall state that the foregoing deposits shall be made only to the extent there are funds available therefor), there shall be deposited with the Trustee funds sufficient or United States Government Obligations, maturing as to principal and interest at such times and in such amounts as to provide funds sufficient, to pay the principal of Bonds to be called for redemption and accrued interest thereon on the Redemption Date and the redemption premium, if any, provided, however, the requirements for such deposit need not be met to the extent such redemption is to be made with the proceeds of Additional Bonds to be issued to refund all or a part of the Bonds to be redeemed. Any redemptions pursuant to Section 302 of this Indenture shall be made only from and/or to the extent of the funds or United States Government Obligations so deposited with the Trustee. Upon the happening of the above conditions, and notice having been given as provided in Section 304, the Bonds or the portions of the principal amount of Bonds thus called for redemption shall cease to bear interest on their Redemption Date, provided funds or United States Government Obligations

sufficient for the payment of principal of, and redemption premium, if any and accrued interest on such Bonds are on deposit at the place of payment at that time, and shall no longer be entitled to the protection, benefit or security of this Indenture and shall not be deemed to be Outstanding under this Indenture.

#### ARTICLE IV FORM OF BONDS

Section 401. Form of Bonds. The form of the Bonds for each Series of Bonds shall be set forth in the Supplemental Indenture authorizing such Series of Bonds.

#### ARTICLE V CUSTODY AND APPLICATION OF BOND PROCEEDS

Section 501. Creation of Costs of Issuance Fund. There is hereby created and ordered to be established in the custody of the Trustee a special trust fund to be designated the "Leasehold Revenue Improvement Bonds Costs of Issuance Fund (herein called the "Costs of Issuance Fund").

Section 502. Creation of Project Fund and Debt Service Reserve Fund. There is hereby created and ordered to be established in the custody of the Trustee a special trust fund to be designated the "Leasehold Revenue Improvement Bonds Project Fund" (herein called the "Project Fund").

There is hereby created and ordered to be established in the custody of the Trustee a special trust fund to be designated the "Leasehold Revenue Improvements Bonds Debt Service Reserve Fund" (herein called the "Debt Service Reserve Fund").

Section 503. Deposits into the Debt Service Reserve Fund, if any, the Costs of Issuance Fund and the Project Fund. Proceeds of the sale of any Series of Bonds, excluding such amounts required to be paid into the Bond Fund pursuant to Section 602, and excluding proceeds to be used to refund any Outstanding Bonds, shall be deposited by the Trustee into the Debt Service Reserve Fund, the Costs of Issuance Fund and the Project Fund (solely with respect to Series 1996 Bonds), as and to the extent, provided in the Supplemental Indenture authorizing such Bonds.

The City may deposit or cause to be deposited with the Trustee any other funds provided to the City for the payment of part of the Cost of the Project. The



Trustee shall account for any such funds separately by book entry or by depositing such funds into accounts within the Project Fund.

Proceeds of the sale of any Refunding Bonds shall be applied and deposited as provided in the Supplemental Indenture authorizing such Bonds.

Section 504. Disbursements from Costs of Issuance Fund. Moneys on deposit in the Costs of Issuance Fund shall be paid out from time to time by the Trustee upon Written Requests of the Corporation Representative and the City Representative, in substantially the form of Exhibit A attached hereto, in an amount equal to the amount of costs and expenses of issuing and securing the Bonds certified in such Written Requests, including, without limitation, printing expenses, rating agency fees, recording and filing fees, trustee's and depository's fees and expenses, fees and expenses of the Corporation, legal fees, and other fees and expenses incurred or to be incurred by or on behalf of the Corporation or the City in connection with or incident to the issuance, sale and delivery of the Bonds. At such time as the Trustee is advised in writing by the Corporation Representative that such costs and expenses have been paid, and in any case not later than six months from the Closing Date, the Trustee shall transfer any moneys remaining in the Costs of Issuance Fund to the Project Fund.

Section 505. Disbursements from the Project Fund. Moneys in the Project Fund shall be expended in accordance with the Lease Agreement, and particularly Article V thereof, and the Trustee shall disburse such moneys in accordance with such provisions as such provisions may be amended or restricted by any Supplemental Indenture.

If required, the Corporation shall take all necessary and appropriate action promptly in approving and ordering all such disbursements. The Trustee is hereby authorized and directed to issue checks for each disbursement in the manner and as provided by the Lease Agreement.

The Trustee shall keep and maintain adequate records pertaining to the Project Fund and the accounts therein and all disbursements therefrom, and after the Project has been completed and a certificate filed as provided in Section 506 hereof and Section 5.7 of the Lease Agreement, the Trustee shall file a statement of receipts and disbursements with respect thereto with the Corporation and with the City.

Section 506. Completion of the Project. The completion of the Project and the payment of all costs and expenses incident thereto shall be evidenced by the

filing with the Trustee of the certificate of the City Representative and the Corporation Representative required by the provisions of Section 5.7 of the Lease Agreement setting out the Completion Date. Any moneys remaining in the Project Fund at the time of the Completion Date for the Project shall be transferred to the Bond Fund and used to redeem Series 1996 Bonds on the next succeeding optional redemption date.

## ARTICLE VI REVENUES AND FUNDS

Section 601. Creation of the Bond Fund and Rebate Fund. There is hereby created and ordered established in the custody of the Trustee a special trust fund in the name of the Corporation to be designated "Leasehold Revenue Improvement Bonds Bond Fund" (herein called the "Bond Fund"). In addition, there is hereby created and authorized to be established in the custody of the Trustee a special trust fund in the name of the Corporation to be designated "Leasehold Revenue Improvement Bonds Rebate Fund" (herein called the "Rebate Fund"). The Bond Fund shall consist of such accounts or subaccounts as may be created by the First Supplemental Indenture or any other Supplemental Indenture.

Section 602. Deposits into the Bond Fund and Rebate Fund. The Trustee shall deposit into the Bond Fund, as and when received, (i) all accrued interest on the Bonds paid by the purchasers of the Bonds; (ii) the amounts to be deposited in the Bond Fund pursuant to Sections 4.1 and 4.2 of the Lease Agreement; (iii) all interest and other income derived from investment of Bond Fund moneys as provided in Section 702; and (iv) all other moneys received by the Trustee under and pursuant to any of the provisions of the Lease Agreement, the First Supplemental Indenture or this Indenture when accompanied by directions from the person depositing such moneys that such moneys are to be paid into the Bond Fund.

All moneys required or expected to be required to be rebated to the United States shall be deposited in the Rebate Fund.

Section 603. Application of Moneys in the Bond Fund. Except as provided in Sections 605, 606 and 909 hereof, and except as may be provided in any Supplemental Indenture with respect to using moneys in the Bond Fund to purchase Bonds in the open market, moneys in the Bond Fund shall be expended solely for the payment of the principal of, and redemption premium,

if any, and interest on, the Bonds as the same mature and become due or upon the redemption thereof prior to maturity.

The Corporation hereby authorizes and directs the Trustee to withdraw sufficient funds from the Bond Fund to pay the principal of, and redemption premium, if any, and interest on the Bonds as the same become due and payable and to make said funds so withdrawn available to the Trustee and any Paying Agent for the purpose of paying such principal, redemption premium, if any, and interest.

Whenever the amount in the Bond Fund from any source whatsoever is sufficient to redeem all of the Bonds Outstanding and pay interest to accrue thereon prior to such redemption, the Corporation, upon request of the City, shall take and cause to be taken the necessary steps to redeem all such Bonds on the next succeeding Redemption Date for which the required redemption notice may be given or on such later Redemption Date as may be specified by the City. Any moneys in the Bond Fund may be used to redeem a portion of the Bonds Outstanding so long as the City is not in default with respect to any payments under the Lease Agreement and to the extent said moneys exceed the amount required (i) for payment of Bonds theretofore matured or called for redemption and (ii) for payment of any past due interest remaining unpaid.

Section 604. Payments Due on Saturdays, Sundays and Holidays. In any case where the Maturity of principal of, or redemption premium, if any, or interest on, any Bonds or the days fixed for redemption of any Bonds shall be a Saturday, a Sunday, a legal holiday or a day on which banking institutions in the city of payment are authorized by law to close, then payment of principal, redemption premium, if any, or interest need not be made on such date but may be made on the next succeeding day not a Saturday, a Sunday or a legal holiday or a day upon which such banking institutions are authorized by law to close with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest shall accrue for the period after such date.

Section 605. Nonpresentment of Bonds. In the event any Bond shall not be presented for payment when the principal therein becomes due, either at its Maturity or otherwise, or at the Redemption Date thereof, if funds sufficient to pay such Bond shall have been made available to the Trustee, all liability of the Corporation to the Bondholder thereof for the payment of such Bond shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such fund or funds, without liability for interest thereon, for the benefit of the Holder of such Bond who shall thereafter be restricted exclusively to such fund or funds for any claim of whatever nature

on his part under this Indenture or on, or with respect to, said Bond. If any Bond shall not be presented for payment within five years following the date when such Bond becomes due, whether by maturity or otherwise, the Trustee shall repay to the City the funds theretofore held by it for payment of such Bond, and such Bond shall, subject to the defense of any applicable statute of limitation, thereafter be an unsecured obligation of the City, and the Bondholder thereof shall be entitled to look only to the City for payment, and then only to the extent of the amount so repaid, and the City shall not be liable for any interest thereon and shall not be regarded as a trustee of such money.

Section 606. Repayment to the City from the Bond Fund. After payment in full of the principal of and redemption premium, if any, and interest on, the Bonds (or after provision has been made for the payment thereof as provided in this Indenture), and the fees, charges and expenses of the Trustee and Paying Agents and any other amounts required to be paid under this Indenture, the applicable Supplemental Indenture and Lease Agreement, all amounts remaining in the Bond Fund shall be paid to the City upon the expiration or sooner termination of the Lease Agreement.

## ARTICLE VII

### DEPOSITARIES OF MONEYS, SECURITY FOR DEPOSITS AND INVESTMENT OF FUNDS

Section 701. Moneys to be Held in Trust. Except as otherwise specifically provided herein, all moneys deposited with or paid to the Trustee pursuant to the provisions of this Indenture, and all moneys deposited with or paid to any Paying Agent under this Indenture, shall be held by the Trustee or Paying Agent in trust and shall be applied only in accordance with this Indenture and the applicable Supplemental Indenture and the Lease Agreement, and, until used or applied as herein provided, shall constitute part of the Trust Estate and be subject to the lien hereof. Neither the Trustee nor any Paying Agent shall be under any liability for interest on any moneys received hereunder except such as may be agreed upon.

Section 702. Investment of Moneys in the Project Fund, the Costs of Issuance Fund, the Bond Fund and the Debt Service Reserve Fund, if any. Moneys held in the Project Fund, the Costs of Issuance Fund, the Bond Fund and the Debt Service Reserve Fund created hereby or any subaccount created by the Supplemental Indenture authorizing any Series of Bonds, if any, shall, pursuant to written direction of the City, signed by the City Treasurer or his designee and in accordance with the Non-Arbitrage Certificate be invested and reinvested by the Trustee in Permitted Investments which mature or are subject

to redemption by the holder prior to the date such funds will be needed. Any such Permitted Investments shall be held by or under the control of the Trustee and shall be deemed at all times a part of the fund or account in which such moneys are originally held, and the interest accruing thereon and any profit realized from such Permitted Investments shall be credited to such fund or account or as otherwise provided by a Supplemental Indenture, and any loss resulting from such Permitted Investments shall be charged to such fund or account. The Trustee shall sell and reduce to cash a sufficient amount of such Permitted Investments whenever the cash balance in such fund or account is insufficient for the purposes of such fund or account. The Trustee shall transfer excess monies in the Debt Service Reserve Fund to the Bond Fund after each quarterly valuation.

The Trustee may make any and all investments permitted by this Section through its own bond department or short-term investment department.

Section 703. Tax Exemption. The Corporation will comply with Section 16.2 of the Lease Agreement with respect to the exemption of the interest on Bonds from Federal income taxation.

Section 704. Rebate. The Trustee shall annually make or, at the discretion of the Corporation and the City and at the expense of the City, employ an individual or firm having the requisite expertise to make, the calculation(s) required by the Non-Arbitrage Certificate and the Corporation shall (i) pay to the United States the amount, if any, required to be rebated by the Non-Arbitrage Certificate and (ii) invest proceeds of the Bonds only as provided in the Non-Arbitrage Certificate. Anything in this Section 704 to the contrary notwithstanding, the Non-Arbitrage Certificate may be amended or superseded by a new Non-Arbitrage Certificate accompanied by an opinion of Bond Counsel addressed to the Corporation to the effect that the use of said new Non-Arbitrage Certificate will not cause the interest on the Bonds to become includable in gross income for Federal income tax purposes of the recipient thereof.

## ARTICLE VIII PARTICULAR COVENANTS AND PROVISIONS

Section 801. Payment of Principal, Redemption Premium, if any, and Interest. The Corporation will deposit or cause to be deposited in the Bond Fund sufficient sums from Rentals and other revenues, moneys and receipts derived by the Corporation pursuant to the Lease Agreement or other tenancies promptly to meet and pay the principal of, redemption premium, if any, and

interest on, the Bonds as the same become due and payable at the place, on the dates and in the manner provided herein and in the Bonds according to the true intent and meaning thereof.

Section 802. Authority to Execute Indenture and Issue Bonds. The Corporation is duly authorized to execute this Indenture, to issue the Bonds and to pledge and assign the Trust Estate in the manner and to the extent herein set forth; all action on its part for the execution and delivery of this Indenture and the issuance of the Bonds has been duly and effectively taken; and the Bonds in the hands of the Bondholders thereof are and will be valid and enforceable obligations of the Corporation according to the import thereof.

Section 803. Performance of Covenants. The Corporation will faithfully perform at all times any and all covenants, agreements, undertakings, stipulations and provisions contained in this Indenture and the Bonds.

Section 804. Instruments of Further Assurance; Encumbrances of Trust Estate. The Corporation will do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, such Supplemental Indentures and such further acts, instruments, financing statements and other documents as the Trustee may reasonably require for the better assuring, pledging and assigning unto the Trustee, the property and revenues herein described to the payment of the principal of, and redemption premium, if any, and interest on, the Bonds.

Section 805. Filing of Security Instruments. This instrument is intended to be a security agreement pursuant to the Uniform Commercial Code for any of the items specified as part of the interest of the Trustee on behalf of the Bondholders in the St. Louis Jail Facilities which, under applicable law, may be subject to a security interest pursuant to the Uniform Commercial Code, and the Corporation hereunder grants the Trustee on behalf of the Bondholders, a security interest in said items, whether now or hereafter acquired, and including all products and proceeds of said items. The Corporation will cause all appropriate financing and continuation statements and other security instruments to be filed or recorded, as applicable, in such manner, at such times and in such places as may be required by law to fully preserve and protect the security of the Bondholders and the rights of the Trustee hereunder. The Corporation shall, on an ongoing basis, execute and deliver all documents and make or cause to be made all filings and recordings necessary or desirable in order to perfect, preserve and protect the interest of the Trustee under this Indenture in the pledged property and the Base Lease to the extent possible under applicable law. Not earlier than 180 days nor later than 30 days prior to

each fifth anniversary of the closing of a Series of Bonds hereunder, the Corporation shall deliver an opinion of Missouri counsel to the Trustee stating that all filings and recordings have been made and all other actions have been taken so as to perfect, preserve and protect such interest under applicable law.

Section 806. Inspection of Project Books. All books and documents in the Corporation's possession relating to the Rentals and other revenues, moneys and receipts derived by the Corporation pursuant to the Lease Agreement shall at all times be open to inspection by such accountants or other agencies as the Trustee may from time to time designate.

Section 807. Enforcement of Rights Under the Lease Agreement. The Corporation will enforce all of the rights and all of the obligations of the City under the Lease Agreement to the extent necessary to preserve the property leased thereunder in good order and repair, and to protect the rights of the Trustee and the Bondholders hereunder with respect to the pledge and assignment of the Trust Estate upon the direction of the Trustee. The Trustee as assignee of the Lease Agreement and the holder of this Indenture in its name or in the name of the Corporation may enforce all rights of the Corporation and all obligations of the City under and pursuant to the Lease Agreement for and on behalf of the Bondholders, whether or not the Corporation is in default hereunder.

Section 808. Damage, Destruction and Condemnation. If the St. Louis Jail Facilities are destroyed or damaged by fire or other casualty, or if title to or temporary use of the St. Louis Jail Facilities or the interest of the City or of the Corporation therein shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority, the City shall cause the net proceeds of any insurance (including proceeds from the City's self insurance program) or condemnation award to be applied as provided in Section 11.1 of the Lease Agreement.

## ARTICLE IX DEFAULT AND REMEDIES

Section 901. Events of Default. If any one or more of the following events occur, it is hereby defined as and declared to be and to constitute an "Event of Default":

(a) Default by the Corporation in the due and punctual payment of any interest on any Bond;

(b) Default by the Corporation in the due and punctual payment of the principal of or redemption premium, if any, on any Bond, whether at the Stated Maturity or other Maturity thereof, or upon proceedings for redemption thereof;

(c) Default in the performance or observance of any other of the covenants, agreements or conditions on the part of the Corporation contained in this Indenture or in the Bonds or in any other document or instrument that secures or otherwise relates to the debt and obligations hereby secured, and the continuance thereof for a period of 60 days after written notice given to the Corporation, and the City by the Trustee or to the Trustee, the City, and the Corporation by the Holders of not less than 25% in aggregate principal amount of Bonds then Outstanding; provided, however, if the failure stated in the notice cannot be corrected within said 60-day period, the Trustee may consent in writing to an extension of such time prior to its expiration and the Trustee will not unreasonably withhold its consent to such an extension if corrective action is instituted by the Corporation or the City within the 60-day period and diligently pursued to completion and if such consent, in its judgment, does not materially adversely affect the interests of the Bondholders. Upon receipt of notice of any Event of Default under this subparagraph (c) the City shall have the rights specified in subparagraph (b) of Section 914 hereof; or

(d) An Event of Default under Section 12.1(a) of the Lease Agreement.

Notice of any Event of Default shall be given to the Corporation, and the City by the Trustee within thirty (30) days of the Trustee's knowledge thereof and the City, upon receipt of such notice, shall have the rights specified in subparagraph (a) of Section 914 hereof.

Section 902. Acceleration of Maturity in Event of Default. If an Event of Default shall have occurred and be continuing, the Trustee may, and upon the written request of the Holders of not less than 51% in aggregate principal amount of Bonds then Outstanding, shall, by notice in writing delivered to the Corporation and the City, declare the principal of all Bonds then Outstanding and the interest accrued thereof immediately due and payable, and such principal and interest shall thereupon become and be immediately due and payable.

If the payment of the Bonds is accelerated under this Section, each Bond shall be payable in the principal amount thereof and accrued interest thereon.

Section 903. Surrender of Possession of Trust Estate; Rights and Duties of Trustee in Possession. If an Event of Default shall have occurred and be



continuing, the Corporation, upon demand of the Trustee, shall forthwith surrender the possession of, and it shall be lawful for the Trustee, by such officer or agent as it may appoint, to take possession of all or any part of the Trust Estate, together with the books, papers and accounts of the Corporation pertaining thereto, and including the rights and the position of the Corporation under the Lease Agreement and to collect, receive and sequester the Rentals and other revenues, moneys and receipts derived under the Lease Agreement, and out of the same and any moneys received from any receiver of any part thereof pay, and set up proper reserves for the payment of all proper costs and expenses of so taking, holding and managing the same, including (i) reasonable compensation to the Trustee, its agents and counsel and (ii) any charges of the Trustee hereunder, and the Trustee shall apply the remainder of the moneys so received in accordance with Section 909. The collection of such Rentals, revenues and other receipts, or the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done in response to such default or pursuant to notice of default. Whenever all that is due upon the Bonds shall have been paid and all defaults cured, the Trustee shall surrender possession of the Trust Estate to the Corporation, its successors or assigns, the same rights, however, to exist upon any subsequent Event of Default.

While in possession of the Trust Estate, the Trustee shall render quarterly to the Corporation and the City a summarized statement of receipts and expenditures in connection therewith.

The City shall give notice to the Corporation with a copy to the Trustee as early as practicable in each Fiscal Year and in any case no later than three (3) Business Days following the date on which the budget for the next succeeding Fiscal Year is finally approved by the Board of Alderman of the City of either (i) the termination of the Lease Agreement or (ii) that sufficient funds have been budgeted and appropriated to make all payments of Rentals during the next succeeding Fiscal Year. Notice that sufficient funds have been appropriated for the next succeeding Fiscal Year shall be accompanied by evidence satisfactory to the Corporation that sufficient funds have been budgeted and appropriated to make all Rentals for the Fiscal Year to which such notice pertains and to make such payments of Additional Rentals as shall be required during such Fiscal Year by the terms of the Lease Agreement. If the Trustee does not receive such notice the Trustee shall make independent inquiry of the fact of whether or not such appropriation has been made. If notice of termination has been duly given, all of the City's right, title, interest and obligations under the Lease Agreement shall terminate without penalty on the last day of the then current Fiscal Year. Failure of the City to budget and

appropriate prior to July 1 of each year funds in the minimum amount equal to the Rentals and a reasonable estimate of Additional Rentals during such Fiscal Year, shall constitute termination of the Lease Agreement at the end of the Fiscal Year then in effect, and failure to give notice to the Corporation of such termination as heretofore provided shall not affect such automatic termination.

Upon the occurrence and continuance of any Event of Non-Appropriation, the Trustee shall give notice to the City to vacate the St. Louis Jail Facilities immediately (but in no event earlier than the expiration of the then current Fiscal Year for which the Lessee has paid or appropriated monies sufficient to pay all Rentals and Additional Rentals due for such Fiscal Year) and shall, without any further demand or notice, (i) terminate this Lease Agreement, re-enter the St. Louis Jail Facilities and eject all parties in possession thereof therefrom and sublease the St. Louis Jail Facilities or (ii) take any action at law or in equity deemed necessary or desirable to enforce its rights with respect to the St. Louis Jail Facilities.

Section 904. Appointment of Receivers in Event of Default. If an Event of Default shall have occurred and be continuing, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee or of the Bondholders under this Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the Trust Estate and of the earnings, income, products and profits thereof, pending such proceedings, with such powers as the court making such appointment shall confer.

Section 905. Exercise of Remedies by the Trustee. Upon the occurrence of an Event of Default, the Trustee may pursue any available remedy at law or equity by suit, action, mandamus or other proceeding to enforce the payment of the principal of and interest on the Bonds then Outstanding, and enforce and compel the performance of the duties and obligations of the Corporation as herein set forth or to enforce or realize upon any of the rights, powers, liens or interests granted hereby to the Trustee. Upon the occurrence of an Event of Default, the Trustee may exercise any of the rights and remedies of a secured party under the Missouri Uniform Commercial Code or other applicable laws and require the Corporation to assemble any collateral covered hereby and make it available to the Trustee at a place to be designated by the Trustee which is reasonably convenient to both parties. Section 906. Exercise of Rights and Powers. If an Event of Default shall have occurred and be continuing, and if requested so to do by the Holders of 25% in aggregate principal amount of Bonds then Outstanding and indemnified as provided in subparagraph (l) of Section 1001 the Trustee shall be obligated to exercise such one or more of the

rights and powers conferred by this Article as the Trustee, being advised by counsel, shall deem most expedient in the interests of the Bondholders.

All rights of action under this Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceedings relating thereto, and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any Bondholder, and any recovery or judgment shall, subject to Section 909 hereof, be for the equal benefit of all the Registered Owners of the Outstanding Bonds.

Section 907. Limitation on Exercise of Remedies by Bondholders. No Bondholder shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of this Indenture or for the execution of any trust hereunder or for the appointment of a receiver or any other remedy hereunder unless:

(i) a default has occurred of which the Trustee has been notified as provided in subparagraph (h) of Section 1001 hereof or of which by said subsection the Trustee is deemed to have notice;

(ii) such default shall have become an Event of Default;

(iii) the Holders of 25% in aggregate principal amount of Bonds then Outstanding shall have made written request to the Trustee, shall have offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, and shall have provided to the Trustee indemnity as provided in subparagraph (l) of Section 1001 hereof; and

(iv) the Trustee shall thereafter fail or refuse to exercise the powers herein granted or to institute such action, suit or proceeding in its own name;

and such notification, request and provision of indemnity are hereby declared in every case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of this Indenture, and to any action or cause of action for the enforcement of this Indenture, or for the appointment of a receiver or for any other remedy hereunder, it being understood and intended that no one or more Bondholders shall have any right in any manner whatsoever to affect, disturb or prejudice this Indenture by its, his or their action or to enforce any right hereunder except in the manner herein provided,

and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of the Registered Owners of all Bonds then Outstanding. Nothing in this Indenture contained shall, however, affect or impair the right of any Bondholder to payment of the principal of, and redemption premium, if any, and interest on any Bond at and after its Maturity or the obligation of the Corporation to pay the principal of, and redemption premium, if any, and interest on, each of the Bonds to the respective Registered Owners thereof at the time, place, from the source and in the manner herein and in such Bond expressed.

Section 908. Right of Bondholders to Direct Proceedings. Anything in this Indenture to the contrary notwithstanding, the Holders of a majority in aggregate principal amount of Bonds then Outstanding, shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of this Indenture, or for the appointment of a receiver or any other proceedings hereunder; provided that such direction shall not be otherwise than in accordance with the provisions of law and of this Indenture, and, provided, further, that the Trustee shall have the right to decline to follow any such direction if the Trustee in good faith shall determine that the proceedings directed would involve it in personal liability.

Section 909. Application of Moneys in Event of Default. Upon an Event of Default, all moneys received by the Trustee pursuant to the Lease Agreement or pursuant to any right given or action taken under this Article or any other provisions of this Indenture, shall, after payment of the (i) cost and expenses of the proceedings resulting in the collection of such moneys and (ii) of the expenses, liabilities and advances incurred or made by the Trustee, be deposited in the Bond Fund and any other Bond Fund created for the payment of Bonds and all moneys so deposited in the Bond Fund or such other Bond Fund shall be applied as follows:

(a) If the principal of all the Bonds shall not have become due or shall not have been declared due and payable, all such moneys shall be applied:

First -- To the payment to the persons entitled thereto of all installments of interest then due and payable on the Bonds, in the order in which such installments of interest became due and payable, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or privilege; and

Second -- To the payment to the persons entitled thereto of the unpaid principal of and redemption premium, if any, on any of the Bonds which shall have become due and payable (other than Bonds called for redemption for the payment of which moneys are held pursuant to this Indenture), in the order of their due dates, with interest on such Bonds from the respective dates upon which they became due and payable, and, if the amount available shall not be sufficient to pay in full all Bonds due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal and redemption premium, if any, due on such date, to the persons entitled thereto without any discrimination or privilege.

(b) If the principal of all the Bonds shall have become due or shall have been declared due and payable, all such moneys shall be applied:

First -- To the payment to the persons entitled thereto of all installments of interest then due and payable on the Bonds, in the order in which such installments of interest became due and payable and, if the amount available shall not be sufficient to pay such amounts in full, then to the payment ratably, according to the amounts due, to the persons entitled thereto, without any discrimination or privilege; and

Second -- To the payment to the persons entitled thereto of unpaid principal of and redemption premium, if any, then due and unpaid on all of the Bonds, without preference or priority of principal or premium of any Bond over principal or premium of any other Bond, ratably, according to the amounts due respectively for principal and redemption premium, if any, to the persons entitled thereto, without any discrimination or privilege.

(c) If the principal of all the Bonds shall have been declared due and payable, and if such declaration shall thereafter have been rescinded and annulled under this Article then, subject to subparagraph (b) of this Section, in the event that the principal of all the Bonds shall later become due or be declared due and payable, the moneys shall be applied in accordance with subparagraph (a) of this Section.

Whenever moneys are to be applied pursuant to this Section, such moneys shall be applied at such times and from time to time as the Trustee shall determine, having due regard to the amount of such moneys available and which may become available for such application in the future. Whenever the Trustee shall apply such moneys, it shall fix the date upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such dates shall cease to accrue. The Trustee shall give such notice as it may

deem appropriate of the deposit with it of any such moneys and of the fixing of any such date and shall not be required to make payment to the Holder of any Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Whenever all of the Bonds and interest thereon have been paid under this Section, and all expenses and charges of the Trustee have been paid, any balance remaining in the Bond Fund shall be paid to the City as provided in Section 606 hereof.

Section 910. Remedies Cumulative. No remedy conferred by this Indenture upon or reserved to the Trustee or to the Bondholders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee or to the Bondholders hereunder or now or hereafter existing at law or in equity or by statute.

Section 911. Delay or Omission Not Waiver. No delay or omission to exercise any right, power or remedy accruing upon any Event of Default shall impair any such right, power or remedy or shall be construed to be a waiver of any such Event of Default or acquiescence therein; and every such right, power or remedy may be exercised from time to time and as often as may be deemed expedient.

Section 912. Effect of Discontinuance of Proceedings. In case the Trustee shall have proceeded to enforce any right under this Indenture by the appointment of a receiver, by entry, or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the Corporation, the City, the Trustee and the Bondholders shall be restored to their former positions and rights hereunder, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Section 913. Waivers of Events of Default. The Trustee shall waive any Event of Default and its consequences and rescind any declaration of maturity of principal upon the written request of the Registered Owners of at least a majority in aggregate principal amount of all Bonds then Outstanding; provided, however, that there shall not be waived without the consent of the Registered Owners of all the Bonds Outstanding (a) any Event of Default in the payment of the principal of any Outstanding Bonds at their Stated Maturity, or (b) any Event of Default in the payment when due of the interest on any such Bonds unless, prior to such waiver or rescission, all arrears of interest, with

interest (to the extent permitted by law) at the rate borne by the Bonds or overdue installments of interest in respect of which such default shall have occurred, or all arrears of payments of principal when due, as the case may be, and all expenses of the Trustee in connection with such default shall have been paid or provided for. In case of any such waiver or rescission, or in case any proceeding taken by the Trustee on account of any such default shall have been discontinued or abandoned or determined adversely, then and in every such case the Corporation, the City, the Trustee and the Bondholders shall be restored to their former positions, rights and obligations hereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereon.

#### Section 914. Opportunity of City to Purchase Corporation's Interest in Event of Default and to Cure Defaults.

(a) Upon receipt of notice by the City of an Event of Default pursuant to subparagraph (a) or (b) of Section 901 hereof, the Corporation has, by Section 10.1(b) of the Lease Agreement, granted the City an option to purchase the Corporation's interest in the St. Louis Jail Facilities under the Lease Agreement.

(b) Upon receipt of notice by the City of an Event of Default pursuant to subparagraph (c) of Section 901 hereof, the Corporation hereby grants the City full authority, on account of the Corporation, to perform any covenant, agreement, or obligation, the nonperformance of which is alleged in said notice to constitute a default, in the name and stead of the Corporation, with full power to do any and all things and acts to the same extent that the Corporation could do and perform any such things and acts in order to remedy such default.

### ARTICLE X THE TRUSTEE

Section 1001. Acceptance of the Trusts. The Trustee hereby accepts the trusts imposed upon it by this Indenture, and agrees to perform said trusts exercising the same degree of care and skill as a prudent corporate trustee ordinarily would exercise under the circumstances, but only upon and subject to the following express terms and conditions, and no implied covenants or obligations shall be read into this Indenture against the Trustee:

(a) The Trustee, prior to the occurrence of an Event of Default and after curing all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. If any

Event of Default shall have occurred and be continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and shall use the same degree of care and skill in their exercise, as a prudent corporate trustee would exercise or use under the circumstances in the conduct of its corporate trust affairs.

(b) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or through agents, attorneys or receivers and shall not be responsible for any misconduct or negligence on the part of any attorney or receiver appointed or chosen by it with due care, and the Trustee shall be entitled to act upon the opinion or advice of Counsel, who may be Counsel to the Corporation or to the City, concerning all matters of trust hereof and the duties hereunder, and may in all cases pay such reasonable compensation to all such agents, attorneys and receivers as may reasonably be employed in connection with the trusts hereof. The Trustee shall not be responsible for any loss or damage resulting from an action or non-action by it taken or omitted to be taken in good faith in reliance upon such opinion or advice of Counsel.

(c) The Trustee shall not be responsible for any recital herein or in the Bonds (except with respect to the Certificate of Authentication of the Trustee appearing on the Bonds), or for the filing or refiling of this Indenture or any security agreements in connection therewith, or for the validity of the execution by the Corporation of this Indenture or any Supplemental Indentures or instruments of further assurance, or for the sufficiency of the security for the Bonds.

(d) The Trustee shall not be accountable for the use of any Bonds authenticated and delivered hereunder. The Trustee, in its individual or any other capacity, may become the owner or pledgee of Bonds with the same rights which it would have if it were not Trustee.

(e) The Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, affidavit, letter, telegram or other paper or document provided for under this Indenture believed by it to be genuine and correct and to have been signed, presented or sent by the proper person or persons.

(f) As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, or whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter



be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee shall be entitled to rely upon a certificate signed by a Corporation Representative and a City Representative, as the case may be, as sufficient evidence of the facts therein contained, and prior to the occurrence of a default of which the Trustee has been notified as provided in subparagraph (h) of this Section or of which by said subparagraph it is deemed to have notice, the Trustee shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may at its discretion secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same.

(g) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty, and the Trustee shall not be answerable for other than its negligence or willful misconduct.

(h) The Trustee shall not be required to take notice or be deemed to have notice of any default hereunder except failure by the Corporation to cause to be made any of the payments to the Trustee required to be made under Article VI, unless the Trustee shall be specifically notified in writing of such default by the Corporation or by the Registered Owners of at least twenty-five percent (25%) in aggregate principal amount of all Bonds then Outstanding.

(i) At any and all reasonable times the Trustee and its duly authorized agents, attorneys, experts, engineers, accountants and representatives shall have the right, but shall not be required, to inspect all books, papers and records of the Corporation pertaining to the St. Louis Jail Facilities, and the Bonds, and to make copies of such memoranda as may be reasonably desired.

(j) The Trustee shall not be required to give any bond or surety in respect of the execution of its trusts and powers hereunder or otherwise in respect of the premises.

(k) The Trustee shall have the right, but shall not be required, to demand, in respect of the authentication of any Bonds, the withdrawal of any cash, the release of any property, or any action whatsoever within the purview of this Indenture, any showings, certificates, opinions, appraisals or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required, as a condition of such action by the Trustee deemed necessary for the purpose of establishing the right of the Corporation to the authentication of any Bonds, the withdrawal of any cash, or the taking of any other action by the Trustee.

(l) Before taking any action under this Indenture, the Trustee may require that satisfactory and reasonable indemnity be furnished to it for the reimbursement of all costs and expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from its negligence or willful misconduct by reason of any action so taken.

(m) The Trustee shall invest funds held by it in accordance with Article VII.

Section 1002. Fees, Charges and Expenses of the Trustee. The Trustee shall be entitled to payment of and/or reimbursement for reasonable fees for its ordinary services rendered hereunder and all advances, agent and counsel fees and other ordinary expenses reasonably and necessarily made or incurred by the Trustee in connection with such ordinary services and, in the event that it should become necessary that the Trustee perform extraordinary services, it shall be entitled to reasonable extra compensation therefor and to reimbursement for reasonable and necessary extraordinary expenses in connection therewith; provided, that, if such extraordinary services or extraordinary expenses are occasioned by the neglect or misconduct of the Trustee it shall not be entitled to compensation or reimbursement therefor. The Trustee shall be entitled to payment and reimbursement for the reasonable fees and charges of the Trustee as Paying Agent for the Bonds and as Bond Registrar. Pursuant to the Lease Agreement, the City has agreed to pay to the Trustee all such fees, charges and expenses of the Trustee under this Indenture. The Trustee agrees that the Corporation shall have no liability for any fees, charges and expenses of the Trustee, and the Trustee agrees to look only to the City for the payment of all fees, charges and expenses of the Trustee and any Paying Agents as provided in the Lease Agreement. Upon the occurrence of an Event of Default and during its continuance, the Trustee shall have a lien with right of payment prior to payment on account of principal, or redemption premium, if any, or interest on, any Bond, upon all moneys in its possession under any provision hereof for the foregoing advances, fees, costs and expenses incurred.

Section 1003. Notice to Bondholders if Default Occurs. If a default occurs of which the Trustee is by subparagraph (h) of Section 1001 hereof required to take notice or if notice of default be given as in said subparagraph (h) provided, then the Trustee shall give written notice thereof by first class mail, postage prepaid, to the Holders of all Bonds then Outstanding at their respective addresses appearing on the Bond Register.

Section 1004. Intervention by the Trustee. In any judicial proceeding to which the Corporation is a party and which, in the opinion of the Trustee and its Counsel, has a substantial bearing on the interests of the Bondholders, the

Trustee may intervene on behalf of Bondholders and shall do so if requested in writing by the Registered Owners of at least twenty-five percent (25%) of the aggregate principal amount of Bonds then Outstanding, provided that the Trustee shall first have been provided such reasonable indemnity as it may require against the costs, expenses and liabilities which it may incur in or by reason of such proceeding.

Section 1005. Successor Trustee Upon Merger, Consolidation or Sale. Any corporation or association into which the Trustee may be merged or converted or with or into which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any merger, conversion, sale, consolidation or transfer to which it is a party, shall be and become successor Trustee hereunder and shall be vested with all the trusts, powers, rights, obligations, duties, remedies, immunities and privileges hereunder as was its predecessor, without the execution or filing of any instrument or any further act on the part of any of the parties hereto provided such successor Trustee is qualified to act as such under State law.

Section 1006. Resignation of Trustee. The Trustee and any successor Trustee may at any time resign from the trusts hereby created by giving at least 30 days written notice to the Corporation, the City and the Bondholders, but such resignation shall not take effect until the appointment of a successor Trustee by the Bondholders or by the Corporation and approved by the City of each successor.

Section 1007. Removal of Trustee. The Trustee may be removed at any time by an instrument or concurrent instruments in writing delivered to the Trustee, the Corporation, and the City not less than ten (10) days prior to such removal and signed by the Holders of a majority in aggregate principal amount of Bonds then Outstanding, but such removal shall not take effect until the appointment of a successor Trustee by the Bondholders or by the Corporation and approval by the City of such successor.

Section 1008. Appointment of Successor Trustee. In case the Trustee shall resign or be removed, or shall otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers or of a receiver appointed by a court, a successor Trustee may be appointed by the Holders of a majority in aggregate principal amount of Bonds then Outstanding, by an instrument or concurrent instruments in writing; provided that notwithstanding any other provision of this Indenture, no removal, resignation or termination of the Trustee shall take effect until a successor,

approved by the City and the Corporation, shall be appointed and provided further that, in case of such vacancy, the Corporation, by an instrument executed and signed by its President or any Vice President and attested by its Secretary or any Assistant Secretary under its seal, may appoint a temporary Trustee to fill such vacancy until a successor Trustee shall be appointed by the Bondholders in the manner above provided. Any such temporary Trustee so appointed by the Corporation shall immediately and without further acts be superseded by the successor Trustee so appointed by such Bondholders. Every such Trustee appointed pursuant to this Section 1008 shall be a trust company or bank in good standing and qualified to accept such trusts, subject to examination by a Federal or state regulatory authority and having a reported capital and surplus and undivided profits of not less than \$75,000,000 or any corporation or association resulting from any merger, conversion, sale, consolidation or transfer to which it is a party, shall be and become successor Trustee hereunder and shall be vested with all the trusts, powers, rights, obligations, duties, remedies, immunities and privileges hereunder as was its predecessor, without the execution or filing of any instrument or any further act on the part of any of the parties hereto.

Section 1009. Vesting of Trusts in Successor Trustee. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the Corporation and the City an instrument in writing accepting such appointment hereunder, and thereupon such successor shall become fully vested with all the trusts, powers, rights, obligations, duties, remedies, immunities and privileges of its predecessor; but such predecessor nevertheless, on the written request of the Corporation, shall execute and deliver an instrument transferring to such successor Trustee all the trusts, powers, rights, obligations, duties, remedies, immunities and privileges of such predecessor hereunder. Every predecessor Trustee shall deliver all securities and moneys held by it as Trustee hereunder to its successor. Should any instrument in writing from the Corporation be required by any successor Trustee for more fully and certainly vesting in such successor the trusts, powers, rights, obligations, duties, remedies, immunities and privileges hereby vested in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Corporation.

Section 1010. Right of Trustee to Pay Taxes and Other Charges. In case any tax, assessment or governmental or other charge upon, or insurance premium with respect to, any part of the St. Louis Jail Facilities is not paid as required herein or in the Lease Agreement, the Trustee may pay such tax, assessment or governmental or other charge or insurance premium without prejudice to any rights of the Trustee or the Bondholders hereunder arising in consequence of

such failure; but the Trustee shall be under no obligation to make any such payment unless it shall have been requested to do so by the Registered Owners of at least twenty-five percent (25%) of the aggregate principal amount of Bonds then Outstanding and shall have been provided adequate funds for the purpose of such payment. Any amount at any time so paid under this Section 1010, with interest thereon from the date of payment at the rate of ten percent (10%) per annum, shall become an additional obligation secured by this Indenture, and the same shall be given a preference in payment over any payment of principal of, or redemption premium, if any, or interest on, the Bonds, and shall be paid out of the Rentals and any other revenues and receipts derived by the Corporation pursuant to the Lease Agreement, if not otherwise caused to be paid.

Section 1011. Trust Estate May Be Vested in Co-Trustee. It is a purpose of this Indenture that there shall be no violation of any law of any jurisdiction (including particularly the State) denying or restricting the right of banking corporations or associations to transact business as trustee in such jurisdiction. It is recognized that in case of litigation under this Indenture or the Lease Agreement, and in particular in case of the enforcement hereof or thereof on default, or in case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights or remedies herein granted to the Trustee, or take any other action which may be desirable or necessary in connection therewith, it may be necessary or desirable that the Trustee appoint an additional individual or institution as a co-trustee or separate trustee, and the Trustee is hereby authorized to appoint such co-trustee or separate trustee with the consent of the Corporation and the City.

In the event that the Trustee appoints an additional individual or institution as a co-trustee or separate trustee, each and every remedy, power, right, claim, demand, cause of action, immunity, title, interest and lien expressed or intended by this Indenture to be exercised by the Trustee with respect thereto shall be exercisable by such co-trustee or separate trustee but only to the extent necessary to enable such co-trustee or separate trustee to exercise such powers, rights and remedies, and every covenant, agreement and obligation necessary to the exercise thereof by such co-trustee or separate trustee shall run to and be enforceable by either of them.

Should any deed, conveyance or instrument in writing from the Corporation be required by the co-trustee or separate trustee so appointed by the Trustee for more fully and certainly vesting in and confirming to him or it such properties, rights, powers, trusts, duties and obligations, any and all such deeds,

conveyances and instruments in writing shall, on request, be executed, acknowledged and delivered by the Corporation.

In case the co-trustee or separate trustee shall die, become incapable of acting, resign or be removed, all the properties, rights, powers, trusts, duties and obligations of the co-trustee or separate trustee, so far as permitted by law, shall vest in a new co-trustee or separate trustee who shall be appointed by the Trustee.

The co-trustee or separate trustee shall be entitled to such compensation for its services as is reasonable and customary.

Section 1012. Accounting. The Trustee shall provide access to its records to the Corporation, and to any Bondholder requesting the same, which records shall show in reasonable detail all financial transactions relating to the Trust Estate and the balance in any funds created by this Indenture as of the beginning and close of each accounting period.

## ARTICLE XI SUPPLEMENTAL INDENTURES

Section 1101. Supplemental Indentures Not Requiring Consent of Bondholders. Subject to Section 1103, the Corporation with the approval of the Board of Aldermen and the Trustee may from time to time, without the consent of or notice to any of the Bondholders, enter into such Supplemental Indenture or Supplemental Indentures as shall not adversely affect the interests of the Bondholders, for any one or more of the following purposes:

- (a) To cure any ambiguity or formal defect or omission in this Indenture or to correct or supplement any provision herein which may be inconsistent with any other provision herein;
- (b) To grant to or confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Bondholders or the Trustee or either of them;
- (c) To subject to this Indenture additional revenues, properties or collateral;
- (d) To issue the initial Series of Bonds as provided in Section 209;
- (e) To issue Additional Bonds provided in Section 210;

(f) To make any other change which in the sole determination of the Trustee does not materially adversely affect the Bondholders; in making such determination the Trustee may rely on the opinion of such Counsel as it may select; and

(g) To evidence the appointment of a separate trustee or a co-trustee or the succession of a new Trustee.

Section 1102. Supplemental Indentures Requiring Consent of Bondholders. Exclusive of Supplemental Indentures covered by Section 1101 and subject to Section 1103, the Holders of not less than a majority in aggregate principal amount of Bonds at the time Outstanding shall have the right, from time to time, to consent to and approve the execution by the Corporation and the Trustee of such other Supplemental Indenture or Supplemental Indentures as shall be deemed necessary and desirable by the Corporation and the City for the purpose of modifying, amending, adding to or rescinding any of the terms or provisions contained in this Indenture or in any Supplemental Indenture; provided, that, the consent of all the Holders of Bonds then Outstanding shall be required for (a) an extension of the maturity of the principal of or the interest on any Bond, or (b) a reduction in the principal amount of any Bond or the rate of interest thereon, or (c) a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or (d) a reduction in the aggregate principal amount of Bonds, the Holders of which are required to consent to any such Supplemental Indenture.

If at any time the Corporation shall request, with the consent of the City, the Trustee to enter into any such Supplemental Indenture for any of the purposes of this Section 1102, the Trustee shall cause notice of the proposed execution of such Supplemental Indenture to be mailed to each Bondholder at his address as shown by the Bond Register. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that copies thereof are on file at the principal corporate trust office of the Trustee for inspection by all Bondholders. If within 60 days or such longer period as shall be prescribed by the Corporation following the mailing of such notice, the Holders of not less than the requisite aggregate principal amount of the Bonds and Outstanding at the time of the execution of any such Supplemental Indenture shall have consented to and approved the execution thereof and herein provided, no Holder of any Bond shall have any right to object to any of the terms and provisions contained therein, of the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee of the Corporation from executing the same or from taking any action pursuant to the provisions thereof.

Section 1103. City's Consent to Supplemental Indentures. Any Supplemental Indenture that affects any rights or obligations of the City shall not become effective unless and until the City shall have consented in writing to the execution and delivery of such Supplemental Indenture, provided, that, receipt by the Trustee of a Supplemental Lease Agreement executed by the City in connection with the issuance of Additional Bonds under Section 210 shall be deemed to be the consent of the City to the execution of a Supplemental Indenture pursuant to Section 210. In this regard, the Trustee shall cause notice of the proposed execution and delivery of any such Supplemental Indenture (other than a Supplemental Indenture proposed to be executed and delivered pursuant to Section 210) together with a copy of the proposed Supplemental Indenture to be mailed to the City at least 90 days prior to the proposed date of execution and delivery of any such Supplemental Indenture. Notwithstanding the provisions of the immediately preceding sentence, the City's right to consent to a Supplemental Indenture shall terminate for so long as an Event of Default has occurred and is continuing under Section 12.1 of the Lease Agreement.

## ARTICLE XII

### SUPPLEMENTAL LEASE AGREEMENTS AND SUPPLEMENTAL BASE LEASES

Section 1201. Supplemental Lease Agreements and Supplemental Base Leases Not Requiring Consent of Bondholders. The Corporation and the Trustee shall, without the consent of or notice to the Bondholders consent to the execution of any Supplemental Lease Agreement and any Supplemental Base Lease, as may be required (i) by the Lease Agreement, the Base Lease or this Indenture, (ii) for the purpose of curing any ambiguity or formal defect or omission, (iii) in connection with the issuance of Additional Bonds, or (iv) in connection with any other change therein which, in the sole determination of the Trustee, does not materially adversely affect the interests of the Trustee or the Bondholders; in making such determination the Trustee may rely on the opinion of such Counsel as it may select.

Section 1202. Supplemental Lease Agreements and Supplemental Base Leases Requiring Consent of Bondholders. Except for Supplemental Lease Agreements and Supplemental Base Leases as provided for in Section 1201, neither the Corporation nor the Trustee shall consent to the execution of any Supplemental Lease Agreement or any Supplemental Base Lease without the mailing of notice and the obtaining of the written approval or consent of the Holders of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding given and obtained as provided in Section 1102;



provided, that, the consent of all the Holders of Bonds shall be required for (a) the creation of any lien ranking superior to or on a parity with the lien of this Indenture, unless otherwise permitted, or (b) a reduction in the aggregate principal amount of Bonds, the Holders of which are required to consent to any Supplemental Lease Agreement or any Supplemental Base Lease. If at any time the Corporation and the City shall request the consent of the Trustee to any such proposed Supplemental Lease Agreement or any Supplemental Base Lease, the Trustee shall cause notice of such proposed Supplemental Lease Agreement or Supplemental Base Lease to be mailed in the same manner as provided by Section 1102 with respect to Supplemental Indentures. Such notice shall briefly set forth the nature of such proposed Supplemental Base Lease or Supplemental Lease Agreement and shall state that copies of the same are on file at the principal corporate trust office of the Trustee for inspection by all Bondholders.

### ARTICLE XIII

#### SATISFACTION AND DISCHARGE OF INDENTURE

Section 1301. Satisfaction and Discharge of the Indenture. When all Bonds are deemed to be paid as provided in Section 1302, and provision shall also be made for paying all other sums payable hereunder, including the fees and expenses of the Trustee and the Paying Agent to the date of retirement of the Bonds, then the right, title and interest of the Trustee in respect hereof shall thereupon cease, terminate and be void, and thereupon the Trustee shall cancel, discharge and release the lien of this Indenture and shall execute, acknowledge and deliver to the Corporation such instruments of satisfaction and discharge or release as shall be requisite to evidence such release and the satisfaction and discharge of the lien of this Indenture, and shall assign and deliver to the Corporation any property and revenues at the time subject to this Indenture that may then be in its possession, except amounts in the Bond Fund required to be paid to the City under Section 606 and except funds or securities in which such funds are invested by the Trustee for the payment of the principal of, and redemption premium, if any, and interest on, the Bonds.

The Corporation is hereby authorized to accept a certificate by the Trustee that the whole amount of the principal, redemption premium, if any, and interest so due and payable upon all of the Bonds then Outstanding has been paid or such payment provided for in accordance with Section 1302 as evidence of satisfaction of this Indenture, and upon receipt thereto shall cancel and erase the inscription of this Indenture from its records.

Section 1302. Bonds Deemed to be Paid. Bonds shall be deemed to be paid within the meaning of this Article XIII when payment of the principal of and the applicable redemption premium, if any, on such Bonds, plus interest thereon to the due date thereof (whether such due date be by reason of maturity or upon redemption as provided in this Indenture, or otherwise), either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for by depositing with the Trustee, in trust and irrevocably set aside exclusively for such payment (a) moneys sufficient to make such payment or (b) Defeasance Obligations maturing as to principal and interest in such amount and at such times as will insure the availability of sufficient moneys to make such payment, provided, however, with respect to any deposit referred to in this clause (ii), the Trustee shall have received a verification report of a nationally recognized independent certified public accounting firm as to the adequacy of the escrow to fully pay the Bonds deemed to be paid. At such time as a Bond shall be deemed to be paid hereunder, as aforesaid, it shall no longer be secured by or entitled to the benefits of this Indenture, except for the purposes of any such payment from such moneys or Defeasance Obligations.

Notwithstanding the foregoing, in the case of Bonds which by their terms may be redeemed prior to the Stated Maturities thereof, no deposit under clause (ii) of the immediately preceding paragraph shall be deemed a payment of such Bonds as aforesaid until, as to all such Bonds which are to be redeemed prior to their respective stated maturities, proper notice of such redemption shall have been given in accordance with Article III or irrevocable instructions shall have been given to the Trustee to give such notice.

Notwithstanding any other provision of this Indenture, (a) all moneys or Defeasance Obligations set aside and held in trust pursuant to this Section 1302 for the payment of Bonds (including redemption premium thereon, if any) shall be applied to and used solely for the payment of the particular Bonds (including redemption premium thereon, if any) with respect to which such moneys and Defeasance Obligations have been so set aside in trust.

#### ARTICLE XIV MISCELLANEOUS PROVISIONS

Section 1401. Consents and Other Instruments by Bondholders. Any consent, request, direction, approval, objection or other instrument required by this Indenture to be signed and executed by the Bondholders may be in any number of concurrent writings of similar tenor and may be signed or executed by such Bondholders in person or by agent appointed in writing. Proof of the execution

of any such instrument or of the writing appointing any such agent and of the ownership of Bonds, if made in the following manner, shall be sufficient for any of the purposes of this Indenture, and shall be conclusive in favor of the Trustee with regard to any action taken, suffered or omitted under any such instrument, namely:

(a) The fact and date of the execution by any person of any such instrument may be proved by the certificate of an officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing such instrument acknowledged before him the execution thereof, or by affidavit of any witness to such execution.

(b) The fact of ownership of Bonds and the amount or amounts, numbers and other identification of such Bonds, and the date of holding the same shall be proved by the Bond Register. Any action taken by the Trustee pursuant to this Indenture upon the request or authority or consent of any person who, at the time of making such request or giving such authority or consent is the Holder of any Bond, shall be conclusive and binding upon all future Holders of the same Bond and upon Bonds issued in exchange therefor or upon transfer or in place thereof.

Section 1402. Consent of the Credit Provider; References to Credit Provider Inapplicable.

1. Any provision concerning rights of the Credit Provider required pursuant to the Credit Enhancement issued with respect to any Series of Bonds shall be as provided in the Supplemental Indenture authorizing such Series of Bonds.

2. References herein to the Credit Provider shall have no application when no Credit Enhancement is in effect.

Section 1403. Limitation of Rights Under the Indenture. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Indenture or the Bonds is intended or shall be construed to give any person, other than the parties hereto, the Credit Provider and the Bondholders, any right, remedy or claim under or in respect to this Indenture, this Indenture being intended to be and being for the sole and exclusive benefit of the parties hereto and the Bondholders as herein provided.

Section 1404. Waiver of Personal Liability; Limit on Corporation's Liability. All liabilities under this Indenture on the part of the Corporation are solely corporate liabilities of the Corporation, and, to the extent permitted by law, the

Trustee hereby releases each and every incorporator, member, agent, employee and the city director and officer of the Corporation and the City of and from any personal or individual liability under this Indenture. No incorporator, member, agent, employee, director or officer of the Corporation and the City shall at any time or under any circumstances be individually or personally liable under this Indenture for anything done or omitted to be done by the Corporation hereunder.

The Corporation's monetary liability under the terms of this Indenture shall be limited to amounts available to it under the Lease Agreement.

Section 1405. Payment Procedure Pursuant to Credit Enhancement. The payment procedure pursuant to the Credit Enhancement, if any, issued with respect to any Series of Bonds shall be as provided in the Supplemental Indenture authorizing such Series of Bonds.

Section 1406. Notices. It shall be sufficient service of any notice, request, complaint, demand or other paper required by this Indenture to be given or filed with the Corporation, the Trustee, the City, the Credit Provider or Bondholders if the same shall be duly mailed by registered or certified mail with postage prepaid addressed as follows:

(a) If to the Corporation, one notice to:

St. Louis Municipal Finance  
Corporation  
City Hall, Room 212  
1200 Market Street  
St. Louis, Missouri 63103  
Attention: Comptroller

a second notice to:

St. Louis Municipal Finance Corporation  
City Hall, Room 314  
1200 Market Street  
St. Louis, Missouri 63103  
Attention: City Counselor

(b) If to the City:

City of St. Louis, Missouri

City Hall  
1200 Market Street  
St. Louis, Missouri 63103  
Attention: Comptroller, Room 212  
and  
Attention: Mayor, Room 200

(c) If to the Trustee:

Mark Twain Bank  
8820 Ladue Road  
Ladue, Missouri 63124  
Attention: Corporate Trust Department

(d) If to the Credit Provider:

The address or addresses set forth in one or more Supplemental Indentures authorizing the issuance of the Bonds.

(e) If to the Bondholders:

To the Bondholders if the same shall be duly mailed by first class mail, postage prepaid, addressed to each of the Holders of Bonds at the time Outstanding at the respective addresses as shown by the Bond Register.

A duplicate copy of each notice, certificate or other communication given hereunder to the Corporation or the Trustee shall also be given to the other and the City. The Corporation, the City and the Trustee may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 1407. Parties Interested Herein. Nothing in this Indenture, expressed or implied is intended or shall be construed to confer upon, or to give to, any person or entity, other than the Corporation, the Trustee, the Paying Agent and the Registered Owners of the Bonds, any right, remedy or claim under or by reason of this Indenture, or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Indenture, contained by and on behalf of the Corporation shall be for the sole and exclusive benefit of the Corporation, the Trustee, the Credit Provider, the Paying Agent and the Registered Owners of the Bonds.

Section 1408. Severability. If any provision of this Indenture shall be held or deemed to be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to any extent whatever.

The invalidity of any one or more phrases, sentences, clauses or Sections in this Indenture contained shall not affect the remaining portions of this Indenture, or any part thereof.

Section 1409. Execution in Counterparts. This Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 1410. Governing Law. This Indenture shall be governed exclusively by and construed in accordance with the applicable laws of the State of Missouri.

IN WITNESS WHEREOF, St. Louis Municipal Finance Corporation has caused this Indenture to be signed in its name and behalf by its President or Vice President and its corporate seal to be hereunto affixed, imprinted or reproduced and attested by its Secretary or Assistant Secretary, and to evidence its acceptance of the trusts hereby created, Mark Twain Bank has caused this Indenture to be signed in its name and behalf by one of its duly authorized officers and its corporate seal to be hereunto affixed and attested by one of its duly authorized officers all as of the day first above written.

ST. LOUIS MUNICIPAL FINANCE CORPORATION

By:

Printed Name:

Title: President

(SEAL)

ATTEST:

Printed Name:

Title: Secretary

MARK TWAIN BANK, AS TRUSTEE

By:

Printed Name: \_\_\_\_\_

Title: Vice President

(SEAL)

ATTEST:

Printed Name:

Title:

ACKNOWLEDGMENT

STATE OF MISSOURI )

) SS

CITY OF ST. LOUIS )

On this \_\_\_\_ day of August, 1996, before me, the undersigned, a Notary Public, appeared \_\_\_\_\_ who, being before me duly sworn, did say she is the President of the ST. LOUIS MUNICIPAL FINANCE CORPORATION, a nonprofit corporation organized and existing under the laws of Missouri, and that the seal affixed to the foregoing instrument is the official seal of said Corporation and said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and said officer acknowledged said instrument to be executed for the purposes therein stated and as the free act and deed of said Corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year last above written.

\_\_\_\_\_  
Printed Name: \_\_\_\_\_

Notary Public in and for said State

Commissioned in St. Louis City

My commission expires \_\_\_\_\_.

ACKNOWLEDGMENT

STATE OF MISSOURI )

) SS  
CITY OF ST. LOUIS )

On this \_\_\_\_\_ day of August, 1996, before me, the undersigned, a Notary Public, appeared who, being before me duly sworn, did say he is a Vice President of Mark Twain Bank, St. Louis, Missouri, a trust company organized and existing under the laws of the State of Missouri, and that the seal affixed to the foregoing instrument is the corporate seal of said trust company, and that said instrument was signed and sealed on behalf of said trust company by authority of its Board of Directors, and said officer acknowledged said instrument to be executed for the purposes therein stated and as the free act and deed of said trust company.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal at my office the day and year last above written.

\_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Notary Public in and for said State  
Commissioned in St. Louis City

My commission expires\_\_\_\_\_.

EXHIBIT A TO INDENTURE OF TRUST, DATED AS OF AUGUST 1,  
1996, BETWEEN ST. LOUIS MUNICIPAL FINANCE CORPORATION  
AND MARK TWAIN BANK, TRUSTEE

\_\_\_\_\_  
Request No. \_\_\_\_\_ Date:\_\_\_\_\_

WRITTEN REQUEST FOR DISBURSEMENT FROM CITY JUSTICE  
CENTER LEASEHOLD REVENUE IMPROVEMENT BOND COSTS OF  
ISSUANCE FUND

To: Mark Twain Bank

\_\_\_\_\_  
St. Louis, Missouri \_\_\_\_\_

Ladies and Gentlemen:



You are hereby authorized and directed as Trustee under the Indenture of Trust, as supplemented to the date hereof, dated as of August 1, 1996 (the "Indenture"), between St. Louis Municipal Finance Corporation and you, as Trustee, to pay the following items from moneys in the Costs of Issuance Fund pursuant to Section 504 of the Indenture:

Payee Amount Description

To the best of the Corporation's knowledge, the amount of this requisition is justly due and owing and has not been the subject of another requisition which was paid and is a proper expense of issuing the Bonds.

ST. LOUIS MUNICIPAL FINANCE CORPORATION

By: \_\_\_\_\_  
Corporation Representative

CITY OF ST. LOUIS

By: \_\_\_\_\_  
City Representative

EXHIBIT B

ST. LOUIS MUNICIPAL FINANCE CORPORATION

AND

MARK TWAIN BANK

FIRST SUPPLEMENTAL INDENTURE OF TRUST

DATED AS OF AUGUST 1, 1996

CITY JUSTICE CENTER

LEASEHOLD REVENUE IMPROVEMENT BONDS,

SERIES 1996A

CITY JUSTICE CENTER

LEASEHOLD REVENUE IMPROVEMENT AND REFUNDING BONDS,  
SERIES 1996B

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FIRST SUPPLEMENTAL INDENTURE OF TRUST

THIS FIRST SUPPLEMENTAL INDENTURE OF TRUST (herein sometimes referred to as the "First Supplemental Indenture"), made and entered into as of the Dated Date, by and between ST. LOUIS MUNICIPAL FINANCE CORPORATION, a nonprofit corporation duly organized and existing under the Missouri Nonprofit Corporation Act (the "Corporation"), and MARK TWAIN BANK, St. Louis, Missouri, a trust company duly organized and existing and authorized to accept and execute trusts of the character herein set out under the laws of the State of Missouri, and having its principal corporate trust office located in the City of St. Louis, Missouri, as trustee (the "Trustee"), in conjunction with and supplementing the Indenture of Trust between the Corporation and the Trustee, dated as of the Dated Date (the "Master Indenture") (the Master Indenture and the First Supplemental Indenture and referred to hereinafter as the "Indenture")

WITNESSETH:

WHEREAS, an order of the Federal Court, dated March 7, 1995, has limited the population of male prisoners at the medium security institution to 550 and the population female prisoners to 60 and enjoined the City from accepting any prisoners in excess of the aforementioned limits in order to meet the Constitutional mandate of safe and sanitary conditions for prisoners confined in the jails in the City of St. Louis; and

WHEREAS, the Board of Aldermen finds that in order to constitutionally meet the City's need for more space for prisoners in the future, it is necessary and desirable to construct new facilities with the capacity to house more prisoners; and

WHEREAS, the Corporation has heretofore issued its Leasehold Revenue Improvement and Refunding Bonds, Series 1992, dated as of June 15, 1992 (the "Series 1992 Bonds") to finance part of the St. Louis Jail Facilities; and

WHEREAS, the Corporation and the City have determined that it is in their best interests to refund the Series 1992 Bonds and to issue the Series 1996 Bonds as hereinafter provided: and

WHEREAS, the Corporation proposes to issue its City Justice Center Leasehold Revenue Improvement Bonds, Series 1996A and its City Justice Center Leasehold Revenue and Improvement Bonds, Series, 1996B, in the aggregate principal amount not to exceed \$135,000,000 (collectively the "Series 1996 Bonds");

WHEREAS, in connection with the authorization and issuance of the Series 1996 Bonds it is necessary that the Corporation and the Trustee enter into this First Supplemental Indenture to provide certain terms and details relating to the Series 1996 Bonds;

NOW, THEREFORE, THIS FIRST SUPPLEMENTAL INDENTURE WITNESSETH, that in order to describe certain terms and details relating to the Series 1996 Bonds and in consideration of the premises and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Corporation and the Trustee agree for the benefit of the Bondholders, as follows:

## ARTICLE I DEFINITIONS

Section 101. Definitions. Capitalized words and terms not defined herein shall have the same meanings as such terms are given in Section 101 of the Master Indenture as amended and supplemented by this First Supplemental Indenture. In addition to words and terms defined in the Master Indenture, the capitalized terms used in this First Supplemental Master Indenture shall have the following meanings:

"Dated Date," with respect to the Series 1996 Bonds, shall mean August 1, 1996, or such other date as may be approved by the parties signatory thereto.

"Depository" or "DTC" means Depository Trust Company, New York, New York, a limited purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, and its successors and assigns.

"Escrow Account" means the account by that name created pursuant to the Escrow Agreement."

"Global Bond Certificates" means one or more bond certificates of the Corporation, each certificate representing the entire principal amount of the Bonds due on a particular Stated Maturity, immobilized from general circulation in the Depository.

["Insurance Trustee" means \_\_\_\_\_ or any successor duly appointed by the Credit Provider.]

"Interest Payment Date" shall mean February 15 and August 15 of each year as long as the Bonds remain Outstanding, beginning February 15, 1997.

"Participants" means those financial institutions for whom the Depository effects book-entry transfers and pledges of securities deposited with the Depository.

" Pledge Agreement" means the Pledge Agreement dated as of the Dated Date, between the City and the Trustee.

" Pledged Revenues" means the amount to be received by the Trustee on behalf of the City pursuant to Section 221.105 of the Missouri Revised Statutes, as amended, and as further described under the Pledge Agreement.

"Pledged Revenues Account" means the account by that name created pursuant to this First Supplemental Indenture.

"Principal Payment Date" means February 15 of each year as long as the Bonds remain Outstanding beginning February 15, 1997.

"Project" means the acquisition (by lease or purchase, including condemnation) of real and personal property, construction, equipping and installing of furnishings and equipment for St. Louis Jail Facilities, including the City Justice Center and the refunding of the Series 1992 Bonds in accordance with Exhibit B herein.

"Record Date" means with respect to any Interest Payment Date the first day (whether or not a business day) of the calendar month preceding the month in which such Interest Payment Date occurs.

"Replacement Bonds" means the Bonds authenticated and delivered by the Bond Registrar pursuant to Section 301 hereof and Section 206 of the Indenture.

"Series 1992 Bonds" means the St. Louis Municipal Finance Corporation Leasehold Improvement and Refunding Bonds, Series 1992, dated as of June 1, 1992.

"Series 1992 Indenture" means the Indenture of Trust dated as of June 15, 1992, by and between the Corporation and Mark Twain Bank, St. Louis, Missouri, as trustee.

"Series 1996A Bonds" means the City Justice Center Leasehold Revenue Improvement Bonds, Series 1996A, authorized by Article II of this First Supplemental Indenture.

"Series 1996B Bonds" means the City Justice Center Leasehold Revenue Improvement and Refunding Bonds, Series 1996B authorized by Article II of this First Supplemental Indenture.

"Series 1996 Bonds" means the Series 1996A Bonds and the Series 1996B Bonds.

"Tract I" means the Property described as Tract I on Schedule I of the Lease Agreement upon which the medium security person is currently situated.

"Tract II" means the Property described as Tract II on Schedule I of the Lease Agreement which the City intends to acquire

Section 102. Authority for this First Supplemental Indenture. This First Supplemental Indenture is authorized pursuant to the provisions of and in accordance with Article II and Article XI of the Master Indenture.

## ARTICLE II

### AUTHORIZATION AND PURPOSE OF SERIES 1996 BONDS

Section 201. Authorization, Principal Amount and Series Designation. Pursuant to the provisions of the Indenture, two series of Bonds composed of Bonds entitled to the benefit, protection and security of the Indenture are hereby authorized in the aggregate principal amount of \$135,000,000. Such Bonds shall be designated as, and shall be distinguished from the Bonds of all other Series by the title, "City Justice Center Leasehold Revenue Improvement Bonds, Series 1996A, and City Justice Center Leasehold Revenue Improvement and Refunding Bonds, Series 1996B." The Series 1996 Bonds shall be issued in an aggregate principal amount of not to exceed \$135,000,000. The proceeds of the Series 1996 Bonds shall be used (i) to pay the Costs of the Project as hereinafter provided (ii) to refund the Series 1992 Bonds (iii) to pay costs of issuance for the Series 1996 Bonds (iv) to fund capitalized interest during construction and (v) to fund debt service reserve funds. The Series 1996 Bonds are issuable in denominations of \$5,000 or integral multiples thereof.

ARTICLE III  
DESCRIPTION OF THE SERIES 1996 BONDS;  
IMMOBILIZATION OF THE SERIES 1996 BONDS;  
DESIGNATION OF PAYING AGENT AND BOND REGISTRAR

Section 301. Description of the Series 1996 Bonds; Immobilization of the Series 1996 Bonds by the Depository; Designation of Paying Agent and Bond Registrar.

1. The Series 1996 Bonds, upon original issuance, are expected to be issued in book-entry-only form, with a single Global Bond Certificate for each maturity of Series 1996 Bonds to be delivered by the Corporation to the initial purchasers for deposit with the Depository. The Series 1996 Bonds shall be registered on the Bond Register in the name of Cede & Co., as nominee of the Depository. No beneficial owners will receive certificates representing their respective interests in the Series 1996 Bonds except in the event that the Corporation issues Replacement Bonds, as provided herein. During the term of the Series 1996 Bonds, ownership and subsequent transfers of ownership will be reflected by book-entry on the records of the Depository and its Participants and payment of principal of, and redemption premium, if any, and interest on, the Series 1996 Bonds will be made by the Paying Agent to the Depository on behalf of the beneficial owners of the Series 1996 Bonds until and unless the Bond Registrar authenticates and delivers Bond certificates to the beneficial owners of the Series 1996 Bonds or their nominees ("Replacement Bonds") as described in Section 303 hereof. Global Bond Certificates evidencing the Series 1996 Bonds may not be transferred or exchanged except as provided in Section 303 hereof and Section 206 of the Indenture.

2. Each such Series 1996 Bond shall be dated the Dated Date, and shall be in the denomination of \$5,000 or any integral multiple thereof not exceeding the principal amount of each respective Series of Series 1996 Bonds becoming due on the Stated Maturity of such Bond. Such Series 1996 Bonds shall have the Stated Maturities and shall bear interest at the rates as follows:

SERIES 1996A BONDS

STATED MATURITY PRINCIPAL AMOUNT INTEREST RATE

1997

1998

1999



2000  
2001  
2002  
2003  
2004  
2005  
2006  
2007  
2008  
2009  
2010  
2011  
2012  
2013  
2014  
2015  
2016  
2017  
2018  
2019  
2020  
2021  
2022  
2023  
2024  
2025

SERIES 1996B BONDS

STATED MATURITY PRINCIPAL AMOUNT INTEREST RATE

1997  
1998  
1999  
2000  
2001  
2002  
2003  
2004  
2005  
2006

2007  
2008  
2009  
2010  
2011  
2012  
2013  
2014  
2015  
2016  
2017  
2018  
2019  
2020  
2021  
2022  
2023  
2024  
2025

Such Bonds shall bear interest from the most recent Interest Payment Date to which interest has been paid in full or, if no interest has been paid, from the Dated Date. Interest on such Series 1996 Bonds at such rates shall be payable semiannually each Interest Payment Date.

3. The Trustee is hereby designated as the Corporation's Paying Agent for the payment of the principal of, and redemption premium, if any, and interest on, the Series 1996 Bonds and as Bond Registrar.

4. The Series 1996 Bonds shall be numbered sequentially for each series from one upward or in such manner as the Trustee shall direct. After delivery of the Series 1996 Bonds the Trustee shall file with the Corporation a record of the numbers assigned to such Series 1996 Bonds upon the initial delivery thereof.

5. The Series 1996 Bonds shall be executed substantially in the form and manner as provided in this Article III and delivered to the Trustee for authentication.

6. When the Series 1996 Bonds shall have been executed, authenticated and registered as required by the Master Indenture and this First Supplemental Indenture, the Trustee shall deliver the Series 1996 Bonds to or upon the order of the purchasers thereof upon payment to the Trustee of the purchase price of

the Series 1996 Bonds. The proceeds of the sale of the Series 1996 Bonds, including accrued interest and premium thereon, if any, shall be immediately paid over to the Trustee, and the Trustee shall deposit and apply such proceeds as provided in Article IV hereof.

Section 302. Redemption of Series 1996 Bonds. The Series 1996 Bonds shall be subject to redemption as provided in Section 302 of the Master Indenture and as follows:

(a) Redemption of Series 1996 Bonds:

(i) Optional Redemption: The Series 1996 Bonds bearing a Stated Maturity on February 15, \_\_\_\_, and thereafter shall be subject to optional redemption and payment prior to their Stated Maturity at the election of the Corporation upon the direction and instruction by the City, on February 15, \_\_\_\_, and at any time thereafter, as a whole at any time or in part on any Interest Payment Date, and if in part in such order as the Corporation at the direction of the City in its sole discretion shall determine, at the respective redemption prices (expressed as a percentage of principal amount) set forth in the following table, plus accrued interest thereon to the Redemption Date:

Redemption Dates Redemption Prices

February 15, \_\_\_\_ through February 14, \_\_\_\_  
February 15, \_\_\_\_ through February 14, \_\_\_\_  
February 15, \_\_\_\_ and thereafter

(ii) Mandatory Sinking Fund Redemption: The Series 1996 Bonds bearing a Stated Maturity of February 15, \_\_\_\_ shall be subject to mandatory sinking fund redemption and payment prior to their Stated Maturity on February 15, \_\_\_\_, and on February 15 of each year thereafter to and including February 15, \_\_\_\_, at the redemption price of 100% of the principal amount so redeemed plus accrued interest thereon to the Redemption Date, without premium, in the following principal amounts:

Series 1996A Bonds

Redemption Dates Principal Amount

(leaving \$\_\_\_\_\_ of such Series 1996A Bonds to be paid at Stated Maturity on February 15, \_\_\_\_).

## Series 1996B Bonds

### Redemption Dates Principal Amount

(leaving \$\_\_\_\_\_ of such Series 1996B Bonds to be paid at Stated Maturity on February 15, \_\_\_\_).

The Trustee shall each year in which such Series 1996 Bonds are to be redeemed pursuant to the terms of this subparagraph (ii) make timely selection of such Series 1996 Bonds or portions thereof to be so redeemed and shall give notice thereof as provided in Section 304 of the Indenture without further instructions from the Corporation or the City.

At the election of the Corporation, at the direction and instruction of the City, moneys deposited in the Bond Fund may be used at any time after February 15, \_\_\_\_, to purchase Series 1996 Bonds maturing on February 15, in the open market at a price not in excess of 100% of the principal amount thereof and to pay interest accrued on such Series 1996 Bonds so purchased at the specified rate thereon to the date of purchase.

At its option, to be exercised on or before the forty-fifth (45th) day next preceding February 15, \_\_\_\_ (i) deliver to the Trustee for cancellation Series 1996 Bonds having a Stated Maturity of February 15, \_\_\_\_, in any aggregate principal amount desired, or (ii) receive a credit in respect to the mandatory redemption obligation of the Corporation under this Section 302 for any Series 1996 Bonds having a Stated Maturity of February 15, \_\_\_\_, which prior to such date have been purchased or redeemed (other than through the operation of the requirements of this subparagraph (ii)) and cancelled by the Trustee and not theretofore applied as a credit against the mandatory redemption obligation under this Section 302. Each Series 1996 Bond having a Stated Maturity of February 15, \_\_\_\_\_ so delivered or previously purchased or redeemed as described in the immediately preceding sentence shall be credited at 100% of the principal amount thereof against the obligation of the Corporation to redeem Series 1996 Bonds on the next succeeding mandatory redemption date pursuant to this Section 302 and any excess of such amount shall be credited on future mandatory redemption obligations for Series 1996 Bonds pursuant to this Section 302 in chronological order. If the Corporation at the direction of the City intends to exercise the option granted by clauses (i) or (ii) above, the Corporation shall, on or before the forty-fifth (45th) day next preceding each February 15, \_\_\_\_ in the years \_\_\_\_ to \_\_\_\_, inclusive, furnish the Trustee a certificate signed by the Corporation Representative or the City Representative,

as the case may be, indicating to what extent said clauses (i) and (ii) are to be complied with in respect of such mandatory redemption requirement.

(iii) The Series 1996 Bonds shall be subject to optional redemption by the Corporation, in whole or in part at any time, at the written direction of the City with the consent of the Credit Provider, to the Corporation and the Trustee not less than 30 days nor more than 60 days prior to the Redemption Date, at a redemption price equal to one-hundred percent (100%) of the principal amount of the Series 1996 Bonds to be redeemed, plus accrued interest, if any, on such Series 1996 Bonds to the Redemption Date, but without premium, in the event that the City exercises its option to prepay all or a portion of the amounts payable pursuant to the Series 1996 Bonds pursuant to casualty, condemnation, changes in law, or certain other events as provided in Section 302 of the Indenture from amounts available thereunder.

(iv) Extraordinary Mandatory Redemption. In addition to the circumstances described in Section 302 of the Master Indenture, the Series 1996A Bonds shall be subject to extraordinary mandatory redemption at a redemption price equal to 100% of the principal amount thereof, plus accrued interest, in the event that (i) the City makes a final determination that it does not intend to complete the Project as defined in the Indenture, or (ii) if title to the land upon which the City Justice Center, or substitute Property therefor, is not acquired by the City on or before August 1, 2001.

Section 303. Immobilization of Series 1996 Bonds by the Depository. Pursuant to the contract for the sale of the Series 1996 Bonds to the original purchasers, immediately upon delivery of the Series 1996 Bonds, the original purchasers of the Series 1996 Bonds will deposit the Global Bond Certificates representing all of the Series 1996 Bonds with DTC. The Global Bond Certificates may be in printed or typewritten form or otherwise, as shall be acceptable to DTC and shall be registered in the name of Cede & Co. and held immobilized from circulation at the offices of DTC on behalf of the original purchasers and subsequent Holders. DTC will be the sole Holder of record of such Global Bond Certificates and no investor or other party purchasing, selling or otherwise transferring ownership of any Series 1996 Bonds or any interest therein is to receive, hold or deliver any bond certificates as long as DTC holds such Series 1996 Bonds immobilized from circulation.

The Global Bond Certificates evidencing the Series 1996 Bonds may not thereafter be transferred or exchanged except:

(i) To any successor of DTC (or its nominee) or any substitute depository ("substitute depository") designated pursuant to clause (ii) of this subsection, provided that any successor of DTC or any substitute depository must be both a "clearing corporation" as defined in Section 8-102 of the Uniform Commercial Code of the State of Missouri and a qualified and registered "clearing agency" as provided in Section 17A of the Securities Exchange Act of 1934, as amended,

(ii) To a substitute depository designated by the Corporation and acceptable to the City upon (a) the determination by DTC that the Series 1996 Bonds shall no longer be eligible for depository services or (b) a determination by the Corporation that DTC is no longer able to carry out its functions, provided that any substitute depository must be qualified to act as such, as provided in clause (i) of this subsection, or

(iii) To those persons to whom transfer is requested in written transfer instructions in the event that (a) DTC shall resign or discontinue its services for the Series 1996 Bonds and the Corporation is unable to locate a qualified successor within two months following the resignation or determination of non-eligibility, (b) the Corporation determines that DTC is incapable of discharging its duties and the Corporation is unable to locate a qualified successor within two months following such determination, or (c) upon a determination by the Corporation that the continuation of the book-entry system described herein, which precludes the issuance of certificates to any Holder other than DTC (or its nominee) is no longer in the best interest of the beneficial owners of the Series 1996 Bonds, then the Corporation shall notify the beneficial owner of such resignation or determination and of the availability of Replacement Bonds to beneficial owners of the Series 1996 Bonds requesting the same and the registration, transfer and exchange of such Series 1996 Bonds will be conducted as provided in Section 206 of the Indenture.

In the event of a succession of DTC as may be authorized by this Section 303, the Bond Registrar upon its receipt of bond certificates for cancellation shall cause the authorization and delivery of bond certificates to the substitute or successor depositories in appropriate denominations and form as approved hereunder and the substitute or successor depository shall be treated as the Depository for all purposes and functions under this First Supplemental Indenture.

#### ARTICLE IV

#### EXECUTION AND DELIVERY OF SERIES 1996 BONDS; APPLICATION OF BOND PROCEEDS

Section 401. Execution and Delivery of Series 1996 Bonds. The President or any Vice President and the Secretary or any Assistant Secretary of the Corporation are hereby authorized and directed to execute the Series 1996 Bonds in the manner provided in the Indenture and to cause said Series 1996 Bonds to be authenticated by the Trustee. The President or any Vice President of the Corporation and the Secretary or any Assistant Secretary of the Corporation are hereby authorized and directed to prepare and execute such closing documents and instruments as they deem necessary or desirable and to deliver the same to the purchaser of the Series 1996 Bonds. Upon execution and authentication of the Series 1996 Bonds, such Series 1996 Bonds shall be delivered to or upon the order of the purchaser upon payment of the purchase price for the Series 1996 Bonds.

Section 402. Creation of Series 1996 Bond Fund Accounts and Project Fund Accounts. There are hereby created and ordered to be established in the custody of the Trustee within the Bond Fund three separate and distinct accounts to be designated the "Series 1996 Bond Account" the "Capitalized Interest Account" and the "Pledged Revenue Account."

There are hereby created and ordered to be established in the custody of the Trustee within the Project Fund two separate and distinct accounts to be designated the "Series 1996A Project Account" and the "Series 1996B Project Account."

Section 403. Application of Proceeds of Series 1996 Bonds. From the proceeds of the sale of the Series 1996 Bonds, the Trustee shall first deposit to the Bond Account of Bond Fund the full amount of accrued interest, if any, received in connection with the sale of the Series 1996 Bonds. The proceeds of the Series 1996A Bonds shall be deposited as follows: the sum of \$\_\_\_\_\_ into the Capitalized Interest Account, the sum of \$\_\_\_\_\_ into the Cost of Issuance Fund; the sum of \$\_\_\_\_\_ into the Debt Service Reserve Fund and the balance in the Series 1996A Project Account. The Trustee shall next deposit from the proceeds of the Series 1996B Bonds the sum of \$\_\_\_\_\_ into the Capitalized Interest Account, the sum of \$\_\_\_\_\_ into the Cost of Issuance Fund; the sum of \$\_\_\_\_\_ into the Escrow Account created in the Escrow Agreement and the sum of \$\_\_\_\_\_ into the Debt Service Reserve Fund. The balance of the proceeds of the Series 1996B Bonds shall be deposited by the Trustee into the Series 1996B Project Account as provided in Section 501 hereof. Any money received by the Trustee from any other source for the purchase, acquisition, construction, installation, and equipping of the Project shall, except as otherwise provided herein or in the Indenture, also be deposited into the Project

Fund.

## ARTICLE V APPLICATION OF FUNDS

Section 501. Deposits into the Project Fund. From the proceeds of the sale of the Series 1996 Bonds, the Trustee shall deposit the sum of \$\_\_\_\_\_ in the Series 1996A Project Account and \$\_\_\_\_\_ in the Series 1996B Project Account.

Moneys on deposit in the Project Fund shall be used and applied in the manner provided in Section 505 of the Indenture and Article V of the Lease Agreement; provided, however, that all moneys in the Series 1996A Project Account shall be held to trust and not disbursed pursuant to the provisions of Section 505 of the Indenture until the City has obtained fee title to the Property described in Tract II of Schedule I of the Lease Agreement, Notwithstanding the preceding sentence, the City may use moneys from the Project Fund to establish its good faith offer and to pay all costs associated with the purchase through condemnation or otherwise the Tract II Property or any real property which the City substitutes therefor.

Notwithstanding the foregoing, the Trustee shall, to the extent there are no other available funds held hereunder, use the remaining funds in the Project Fund to pay principal and interest on the Series 1996 Bonds to the Holders in the event of a Event of Default under Section 901(a) or Section 901(b) of the Indenture.

Moneys on deposit in the Project Fund on the Completion Date, as defined in the Lease Agreement, shall be transferred to the Bond Fund and disbursed as provided in Section 5.7 of the Lease Agreement and Section 506 of the Indenture.

Section 502. Application of Funds. The Trustee shall deposit into the Series 1996 Bond Account (i) all accrued interest received in connection with the sale of the Series 1996 Bonds; (ii) all amounts to be deposited in the Bond Fund pursuant to Section 4.1 and Section 4.2 of the Lease Agreement corresponding to the payments of principal, of, redemption premium, if any, and interest on the Series 1996 Bonds; (iii) all interest and other income derived from investments of funds on deposit in the Bond Fund; and (iv) all other moneys received by the Trustee which the Trustee is directed to deposit in the Bond Fund. Pursuant to Section 402 hereof, the Trustee shall deposit \$\_\_\_\_\_ in the Cost of Issuance Fund.



The Trustee shall notify the City in writing fifteen (15) days prior to an Interest Payment Date of the moneys available in the Pledged Revenues Account to pay interest on such upcoming Interest Payment Date. Except as otherwise provided in the Indenture, funds on deposit in the Bond Fund and the Pledged Revenues Account shall be used and applied solely to pay the principal of, redemption premium, if any, and interest on the Bonds. The Trustee shall apply amounts on deposit in the Pledged Revenues Account to pay the principal of, redemption premium, if any, and interest on the Bonds prior to the application of amounts deposited in the Bond Fund to payment of the same. Any further application of moneys in the Pledged Revenues Account shall be as effectuated pursuant to the Indenture and Section 4 of the Pledge Agreement.

Section 503. Application of Funds With Respect to the Debt Service Reserve Fund. Pursuant to Section 402 hereof, the Trustee shall deposit the sum of \$\_\_\_\_\_ into the Debt Service Reserve Fund from the proceeds of the sale of the Series 1996 Bonds.

Except as herein otherwise provided, funds on deposit in the Debt Service Reserve Fund shall be used and applied by the Trustee solely to prevent a default in the event moneys on deposit in the Bond Fund including the Pledged Revenues Account shall be insufficient to pay the principal of and interest on the Bonds as the same become due. The Trustee may disburse and expend moneys from the Debt Service Reserve Fund whether or not the amount therein equals the Debt Service Reserve Fund Requirement. Moneys on deposit in the Debt Service Reserve Fund may be used to pay Bonds called for redemption or to purchase Bonds in the open market, prior to their Stated Maturity, provided all Bonds at the time Outstanding are called for redemption or purchased and sufficient funds are available therefor. Moneys on deposit in the Debt Service Reserve Fund shall be used to pay and retire the Bonds last becoming due unless such Bonds and all interest thereon are otherwise paid.

So long as the sum on deposit in the Debt Service Reserve Fund shall aggregate an amount equal to the Debt Service Reserve Fund Requirement, no further deposits to said Debt Service Reserve Fund shall be required. If, however, the Trustee is ever required to withdraw funds from the Debt Service Reserve Fund to prevent a default as herein provided and the withdrawal of such funds reduces the amount on deposit in the Debt Service Reserve Fund to less than the Debt Service Reserve Fund Requirement, the City shall in accordance with Section 4.2 of the Lease Agreement, make up such deficiency by making monthly payments of Additional Rentals, commencing on the first day of the calendar month following the date of such withdrawal and continuing on the first day of each month thereafter, in an amount equal to one-twelfth (1/12) of

the maximum amount of such deficiency until the amount on deposit in the Debt Service Reserve Fund again aggregates a sum equal to the Debt Service Reserve Fund Requirement.

So long as the sum on deposit in the Debt Service Reserve Fund shall aggregate an amount equal to the Debt Service Reserve Fund Requirement, investment earnings on funds on deposit in the Debt Service Reserve Fund shall be deposited into the Bond Fund. If however the sum on deposit in the Debt Service Reserve Fund shall be less than the Debt Service Reserve Fund Requirement investment earnings on funds in the Debt Service Reserve Fund shall remain therein and be applied to reducing such deficiency.

Permitted Investments in the Debt Service Reserve Fund shall be evaluated by the Trustee quarterly on January 15, April 15, July 15 and October 15 of each year and the amount on deposit therein determined accordingly. In the event that on any such date of evaluation the amount on deposit in the Debt Service Reserve Fund shall aggregate an amount less than the Debt Service Reserve Fund Requirement (by reason of such evaluation and not by reason of any withdrawal) the City shall make up such deficiency as Additional Rentals no later than the next evaluation date.

The Trustee shall value investments made pursuant to this Section 504 quarterly at the market value thereof, exclusive of accrued interest. After payment in full of the principal of, premium, if any, and interest on the Bonds (or provision has been made for the payment thereof as specified in the Indenture), and the fees, charges and expenses of the Trustee and any Paying Agent and any other amounts required to be paid under the Indenture, the Lease Agreement, and any agreement with respect to Credit Enhancement, if any, all amounts remaining in the Debt Service Reserve Fund shall be paid to the City.

Notwithstanding the foregoing, any of the following may be used in lieu of or as partial substitution for cash in the Debt Service Reserve Fund: an insurance policy, letter of credit, line of credit guaranty or surety bond or any similar credit or liquidity facility, or any combination thereof which facility shall be obtained from an entity that is rated in one of the two highest rating categories by either Moody's, Fitch or S&P. In the case of the utilization of any cash substitute as described in this paragraph, any moneys remaining in the Debt Service Reserve Fund in excess of the Debt Service Reserve Fund Requirement shall be transferred to the Bond Fund.

## ARTICLE VI BOND FORMS

The forms of the Series 1996 Bonds and the Certificate of Authentication thereon shall be in substantially the form set out in Exhibit A hereto.

## ARTICLE VII MISCELLANEOUS

Section 701. Payment Procedure Pursuant to Credit Enhancement. As long as the Credit Enhancement shall be in full force and effect, the Corporation and the Trustee agree to comply with the following provisions:

If on the third day preceding any Interest Payment Date for the Series 1996 Bonds the Trustee determines that there will be insufficient funds in the Funds and Accounts to pay all of the principal of or interest on the Series 1996 Bonds due on such Interest Payment Date, the Trustee shall immediately notify the Credit Provider and \_\_\_\_\_, or its successor, as its Fiscal Agent (the "Fiscal Agent") of the amount of such deficiency.

If, by said Interest Payment Date, the Corporation has not provided the amount of such deficiency, the Trustee, shall simultaneously make available to the Credit Provider and to the Fiscal Agent the registration books for the Series 1996 Bonds maintained by the Trustee. In addition:

(A) the Trustee, shall provide the Credit Provider with a list of Registered Owners of Series 1996 Bonds entitled to receive principal or interest payments from the Credit Provider under the terms of the Credit Enhancement Policy and shall make arrangements for the Credit Provider and its Fiscal Agent (i) to mail checks or drafts to the Registered Owners of Series 1996 Bonds entitled to receive full or partial interest payments from the Credit Provider and (ii) to pay principal of the Series 1996 Bonds surrendered to the Fiscal Agent by the Registered Owners of Series 1996 Bonds entitled to receive full or partial principal payments from the Credit Provider; and

(B) (i) the Trustee shall, at the time it makes the registration books available to the Credit Provider pursuant to (A) above, notify Registered Owners of Series 1996 Bonds entitled to receive the payment of principal or interest thereon from the Credit Provider (1) as to the fact of such entitlement, (2) that the Credit Provider will remit to them all or part of the interest payments coming due subject to the terms of the Credit Enhancement, (3) that except as provided in paragraph (ii) below in the event that any Registered Owner is entitled to receive full payment of principal from the Credit Provider, such Registered Owner must tender his Series 1996 Bonds with the instrument of transfer in the form provided on the Series 1996 Bond executed in the name of the Credit

Provider, and (4) except as provided in paragraph (ii) below in the event that such Registered Owner is entitled to receive partial payment of principal from the Credit Provider, such Registered Owner must tender his Series 1996 Bonds for payment thereon first to the Trustee, who shall note on such Series 1996 Bonds the portion of the principal paid by the Trustee, and then, along with an acceptable form of assignment executed in the name of the Credit Provider to the Fiscal Agent, which will then pay the unpaid portion of principal subject to the terms of the Credit Enhancement.

(ii) in the event that the Trustee has notice that any payment of principal of or interest on a Series 1996 Bonds has been recovered from its Registered Owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with the final, nonappealable order of a court having competent jurisdiction, the Trustee shall, at the time it provides notice to the Credit Provider, notify all Registered Owners that in the event that any Registered Owner's payment is so recovered, such Registered Owner will be entitled to payment from the Credit Provider to the extent of such recovery, and the Trustee shall furnish to the Credit Provider its records evidencing the payments of principal of and interest on the Series 1996 Bonds which have been made by the Trustee, as Paying Agent, and subsequently recovered from Registered Owners and the dates on which such payments were made.

(iii) the Credit Provider shall, to the extent it makes payment of principal of or interest on the Series 1996 Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Credit Enhancement, and to evidence such subrogation (a) in the case of subrogation as to claims for past due interest, the Trustee, shall note the Credit Provider's rights as subrogee on the registration books maintained by the Trustee, upon receipt from the Credit Provider of proof of the payment of interest thereon to the Registered Owners of the Series 1996 Bonds, and (b) in the case of subrogation as to claims for past due principal, the Trustee shall note the Credit Provider's rights as subrogee on the registration books for the Series 1996 Bonds maintained by the Trustee upon receipt of proof of the payment of principal thereof to the Registered Owners of such Series 1996 Bonds. Notwithstanding anything in this First Supplemental Indenture or the Series 1996 Bonds to the contrary, the Trustee shall make payment of such past due interest and past due principal directly to the Credit Provider to the extent that the Credit Provider is a subrogee with respect thereto.]

Section 702. Notices to the Credit Provider and Fiscal Agent. Any notice, request, complaint, demand or other paper required by the Indenture or this

First Supplemental Indenture to be given or filed with the Credit Provider shall be addressed as follows:

\_\_\_\_\_, Attention: General Counsel. Any notices to be given to the Fiscal Agent shall be given to \_\_\_\_\_

\_\_\_\_\_, Attention: Municipal Trust and Agency Services Administration. Section 703. Additional Notices to Credit Provider. While the Credit Enhancement is in effect so long as the Credit Provider has not failed to comply with its obligations under the applicable Credit Enhancement, the Corporation or the Trustee, as aggregate, shall furnish to the Credit Provider, if any:

(a) notice of any draw upon or deficiency due to market fluctuations in the amount, if any, on deposit in the Debt Service Reserve Fund,

(b) a copy of the financial statement and other records and documents referred to in Section 16.4 of the Lease Agreement at the times specified therein.

(c) a copy of any notice to be given to the Registered Owners of the Series 1996 Bonds, including, without limitation, notice of any redemption (other than mandatory sinking fund redemption and including the principal amount, maturities and CUSIP numbers thereof) of or defeasance of Series 1996 Bonds, notice of an Event of Default, notice of resignation or removal of Trustee and any certificate rendered pursuant to the Indenture relating to the security for the Series 1996 Bonds; and

(d) such additional information as it may reasonably request.

The Trustee shall notify the Credit Provider of any failure of the Corporation to provide any notices and certificates hereunder.

The Corporation will permit the Credit Provider to discuss the affairs, finances and accounts of the Corporation or any information the Credit Provider may reasonably request regarding the security for the Series 1996 Bonds with appropriate officers of the Corporation. The Trustee or the Corporation, as appropriate, will permit the Credit Provider to have access to and to make copies of all books, documents and records relating to the Trust Estate, Rentals and other revenues, moneys and receipts derived by the Corporation pursuant to the Lease Agreement and any other books, documents and records related to the Series 1996 Bonds at any reasonable time.

Notwithstanding any other provision of this Indenture, the Trustee shall immediately notify the Credit Provider if at any time there are insufficient moneys to make any payments of principal and/or interest as required and immediately upon the occurrence of any Event of Default under the Indenture.

Section 704. Credit Provider as Sole Holder. For all purposes of Article IX of the Indenture, except with respect to the giving of notice of default to Holders, a Credit Provider, if any, shall be deemed to be the sole holder of the Series 1996 Bonds which it has insured or otherwise enhanced for so long as it has not failed to comply with its payment obligations under the applicable Credit Enhancement.

Section 705. Consent of the Credit Provider.

1. Any provision of the Indenture expressly recognizing or granting rights in or to the Credit Provider may not be amended in any manner which affects the rights of the Credit Provider hereunder without the prior written consent of the Credit Provider. Notwithstanding any provision herein contained, the Credit Provider may exercise any rights granted thereto under this Section 705 provided, that, it has not failed to comply with its payment obligations under the applicable Credit Enhancement.

2. Unless otherwise provided in this Section 705, the Credit Provider shall be deemed to be the Holder of the Series 1996 Bonds in lieu of the registered owners thereof for the following purposes: (i) execution and delivery of any Supplemental Indenture or any amendment, supplement or change to or modification of the Base Lease or the Lease Agreement, (ii) removal of the Trustee and selection and appointment of any successor trustee; and (iii) initiation or approval of any action not described in (i) or (ii) above which requires the consent of Holders of Series 1996 Bonds. Notwithstanding the foregoing, in any instance where the consent of all Holders of Series 1996 Bonds is a prerequisite to any act, such act may not be effectuated solely upon Credit Provider's consent but only upon approval of all Bondholders.

3. Anything in the Indenture to the contrary notwithstanding, upon the occurrence and continuance of an Event of Default as defined herein, the Credit Provider shall, so long as it is not in default in its payment obligations under the Credit Enhancement, be entitled to control and direct the enforcement of all rights and remedies granted to the Holders of the Series 1996 Bonds including the right to request the Trustee to pay taxes pursuant to Section 1010 of the Indenture under the Indenture including, without limitation, acceleration of the principal of the Series 1996 Bonds as described in the Indenture and the right to

annul any declaration of acceleration, and the Credit Provider shall also be entitled to approve all waivers of Events of Default so long as the Credit Provider is not in default in its payment obligations under the Credit Enhancement.

Section 706. Bonds to Remain Outstanding. In the event that the principal and/or interest due on the Series 1996 Bonds shall be paid by the Credit Provider pursuant to the Credit Enhancement, the Series 1996 Bonds shall remain Outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Corporation, and the assignment and pledge of the Trust Estate and all covenants, agreements and other obligations of the Corporation to the Holders of Series 1996 Bonds shall continue to exist and shall run to the benefit of the Credit Provider, and the Credit Provider shall be subrogated to the rights of such Registered Owners until the Series 1996 Bonds are paid by the Corporation in accordance with the Indenture.

Section 707. Execution in Counterparts. This First Supplemental Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, St. Louis Municipal Finance Corporation has caused this First Supplemental Indenture to be signed in its name and behalf by its President or Vice President and its corporate seal to be hereunto affixed and attested by its Secretary or Assistant Secretary, and to evidence its acceptance of the trusts hereby created, Mark Twain Bank has caused this First Supplemental Indenture to be signed in its name and behalf by one of its duly authorized officers and its corporate seal to be hereunto affixed and attested by one of its duly authorized officers, all as of the day first above written.

ST. LOUIS MUNICIPAL FINANCE CORPORATION

(SEAL) By:\_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: President

ATTEST:

\_\_\_\_\_  
Printed Name: \_\_\_\_\_

Title: Secretary

MARK TWAIN BANK, as Trustee

(SEAL) By:\_\_\_\_\_

Printed Name:\_\_\_\_\_

Title: Vice President

ATTEST:

\_\_\_\_\_  
Printed Name:\_\_\_\_\_

Title:\_\_\_\_\_

ACKNOWLEDGMENT

STATE OF MISSOURI )

) SS

CITY OF ST. LOUIS )

On this \_\_\_\_ day of August, 1996, before me, the undersigned, a Notary Public, appeared [\_\_\_\_\_] who, being before me duly sworn did say [s]he is the President of ST. LOUIS MUNICIPAL FINANCE CORPORATION, a corporation organized under the General Not For Profit Corporation Law of the State of Missouri, and that the seal affixed to the foregoing instrument is the official seal of said Corporation and said instrument was signed and sealed in behalf of said Corporation by authority of its Board of Directors, and said officer acknowledged said instrument to be executed for the purposes therein stated and as the free act and deed of said Corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year last above written.

\_\_\_\_\_  
Printed Name:\_\_\_\_\_

Notary Public in and for said State

Commissioned in St. Louis City

My commission expires \_\_\_\_\_.

ACKNOWLEDGMENT

STATE OF MISSOURI )

) SS

CITY OF ST. LOUIS )

On this \_\_\_\_ day of August, 1996, before me, the undersigned, a Notary Public, appeared \_\_\_\_\_, who, being before me duly sworn, did say he is a Vice President of Mark Twain Bank, St. Louis, Missouri, a trust company organized and existing under the laws of the State of Missouri, and that the seal affixed to the foregoing instrument is the corporate seal of said trust company,



and that said instrument was signed and sealed in behalf of said trust company by authority of its Board of Directors, and said officer acknowledged said instrument to be executed for the purposes therein stated and as the free act and deed of said trust company.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal at my office the day and year last above written.

\_\_\_\_\_  
Printed Name:\_\_\_\_\_

Notary Public in and for said State

Commissioned in St. Louis City

My commission expires \_\_\_\_\_.

EXHIBIT A  
FORM OF SERIES 1996A BOND

REGISTERED REGISTERED  
NUMBER

\_\_\_\_\_ \$\_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF MISSOURI

ST. LOUIS MUNICIPAL FINANCE CORPORATION

CITY JUSTICE CENTER LEASEHOLD REVENUE IMPROVEMENT  
BONDS, SERIES 1996A

Interest Maturity  
Rate Date Dated Date CUSIP

\_\_\_\_\_% Per Annum February 15,\_\_\_\_\_

REGISTERED OWNER: Cede & Co.

PRINCIPAL AMOUNT:

ST. LOUIS MUNICIPAL FINANCE CORPORATION, a nonprofit corporation duly organized and existing under the Missouri Nonprofit Corporation Act (the "Corporation"), for value received, promises to pay, but

only from the sources and in the manner hereinafter described, to the Registered Owner identified above, or registered assigns, on the Maturity Date specified above, unless called for redemption prior to maturity, the Principal Amount specified above and to pay interest thereon from said sources at the Interest Rate specified above from the Bond Date specified above, or from the most recent date to which interest has been paid, on February 15 and August 15 in each year beginning February 15, 1997 (each being an "Interest Payment Date"). As provided in the hereinafter defined Indenture, interest on this Bond will be paid to the person in whose name this Bond is registered in the hereinafter defined Bond Register at the close of business on the first day (whether or not a business day) of the calendar month preceding the month in which the applicable Interest Payment Date occurs (the "Regular Record Date") by check or draft mailed to the Registered Owner hereof at his address as it appears in the Bond Register or in such other manner as is determined in accordance with the Indenture. Notwithstanding any other provision hereof, this Bond is subject to a book-entry system maintained by The Depository Trust Company ("DTC") and payment of principal and interest, the provision of notices and other matters will be made as described in the Corporation's Letter of Representations to DTC.

Unless this Bond is presented by an authorized representative of DTC to the Corporation or its agent for registration of transfer, exchange or payment, and any Bond issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of DTC and payment is made to Cede & Co., any transfer, pledge, or other use hereof for value or otherwise by or to any person is wrongful since the Registered Owner hereof, Cede & Co., has an interest herein.

The Principal Amount and redemption premium, if any, are payable upon presentation and surrender of this Bond at the principal corporate trust office of Mark Twain Bank in St. Louis, Missouri (the "Trustee"). The Principal Amount and interest on this Bond (computed on the basis of a 360-day year consisting of twelve 30-day months) are payable in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts.

THIS BOND is one of a duly only in Bonds authorized issue of bonds of the Corporation designated City Justice Center Leasehold Revenue Improvement Bonds, Series 1996A, in the aggregate principal amount of \$\_\_\_\_\_ (the "Series 1996A Bonds"). The Bonds are being issued to provide funds to the Corporation to enable the Corporation to pay the cost of the acquisition, by lease or purchase, including condemnation, of real and personal property,

construction, equipping and installing of furnishings and equipment for St. Louis Jail Facilities (the "St. Louis Jail Facilities"), by the authority of and in full compliance with the provisions, restrictions and limitations of the constitution and statutes of the State of Missouri and the ordinances of the City of St. Louis.

THE BONDS are issued under and are equally and ratably secured and entitled to the protection given by an Indenture of Trust, dated as of the Dated Date, as amended and supplemented from time to time in accordance with the provisions thereof and a First Supplemental Indenture of Trust, dated as of the Dated Date (together, the "Indenture"), between the Corporation and the Trustee. Subject to the terms and conditions set forth therein, the Indenture permits the Corporation to issue Additional Bonds (as defined therein) secured by the Indenture without the consent of Bondholders. Reference is hereby made to the Indenture for a description of the property pledged and assigned thereunder, and the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the Corporation, the Trustee, and the Bondholders, and the terms upon which the Bonds are issued and secured.

THE BONDS are subject to redemption and payment prior to their stated maturities by the Corporation, at the option of and upon instructions from the City, on any date upon any of the following conditions or events, provided all of the Bonds and all Additional Bonds, if any, are redeemed and paid according to their terms: (1) if title to, or the use of, substantially all of the St. Louis Jail Facilities is condemned by any authority having the power of eminent domain; (2) if the Corporation's interest in substantially all of the St. Louis Jail Facilities is found to be deficient or nonexistent to the extent that the St. Louis Jail Facilities is untenable or the efficient utilization of the St. Louis Jail Facilities by the City is impaired; (3) if substantially all of the St. Louis Jail Facilities is damaged or destroyed by fire or other casualty; or (4) if as a result of changes in the constitution of the State of Missouri or of legislative or administrative action by the State of Missouri, or any political subdivision thereof, or by the United States, or by reason of any action instituted in any court, the Lease Agreement shall become void or unenforceable, or impossible of performance without unreasonable delay, or in any other way, by reason of such change of circumstances, unreasonable burdens or excessive liabilities are imposed on the City or the Corporation. In addition, the Series 1996A Bonds shall be subject to extraordinary mandatory redemption in the event that (i) the City makes a final determination that it does not intend to complete the Project as defined in the Indenture, or (ii) if title to the land upon which the City Justice Center or any substitute Property therefor is not acquired by the City on or

before August 1, 2001. The Bonds redeemed as provided in this paragraph shall be redeemed at a redemption price of 100% of the principal amount thereof, plus accrued interest thereon to the date fixed for redemption and payment without a premium.

The Bonds bearing a stated maturity date on February 15, \_\_\_\_\_ and thereafter are subject to optional redemption and payment prior to the stated maturities at the election of the Corporation upon direction and instruction by the City, on February 15, \_\_\_\_\_, and at any time thereafter, as a whole or in part, and if in part, in such order of maturity as the City in its sole discretion shall determine, at the respective redemption prices (expressed as a percentage of principal amount) set forth in the following table, plus accrued interest thereon to the redemption date:

#### Redemption Dates Redemption Prices

February 15, \_\_\_\_\_ through February 14, \_\_\_\_\_  
February 15, \_\_\_\_\_ through February 14, \_\_\_\_\_  
February 15, \_\_\_\_\_ and thereafter

The Series 1996A Bonds having a stated maturity date on February 15, \_\_\_\_\_, shall be subject to mandatory sinking fund redemption and payment prior to maturity on February 15, and on February 15 of each year thereafter to and including February 15, \_\_\_\_\_ at the redemption price of 100% of the principal amount so redeemed plus accrued interest thereon to the redemption date, without premium, in the following principal amounts (subject to certain credits as provided in the Indenture):

#### Redemption Dates Principal Amount

(leaving \$\_\_\_\_\_ of such Bonds to be paid on the stated maturity date on February 15, \_\_\_\_\_).

(iii) The Bonds shall be subject to optional redemption by the Corporation, in whole at any time or in part on any Interest Payment Date, at the written direction of the City to the Corporation and the Trustee not less than 30 days nor more than 60 days prior to the Redemption Date, at a redemption price equal to one hundred percent (100%) of the principal amount of the Bonds to be redeemed, plus accrued interest, if any, on such Bonds to the Redemption Date, but without premium, in the event that the City exercises its option to prepay all or a portion of the amounts payable pursuant to the Bonds pursuant

to casualty, condemnation, changes in law, or certain other events as herein provided in the third paragraph above from amounts available thereunder.

IN THE EVENT any of the Bonds are called for redemption as aforesaid, notice thereof identifying the Bonds to be redeemed will be given by first class mail, postage prepaid, mailed not less than 30 days nor more than 60 days prior to the redemption date to each Registered Owner of Bonds to be redeemed. All Bonds so called for redemption will cease to bear interest on the specified redemption date provided funds or certain securities sufficient for the redemption of such Bonds are on deposit at the place of payment at that time, shall not longer be secured by the Indenture and shall not be deemed to be outstanding under the Indenture.

THE BONDS and the interest thereon are special obligations of the Corporation or a parity with the Corporation's City Justice Center Leasehold Revenue Improvement and Refunding Bonds, Series 1996B which are being issued simultaneously with the Series 1996A Bonds payable solely out of the Rentals and Additional Rentals (both as defined in the Indenture) and certain other revenues and receipts derived by the Corporation pursuant to the Lease Agreement dated as of the Dated Date between the Corporation and the City and payment made by the City under a Pledge Agreement dated the Dated Date made by the City in favor of the Trustee which pledges certain state reimbursements for the housing prisoners to the payment of debt service on the Bonds, and are secured by a pledge and assignment pursuant to the Indenture of the Trust Estate (as defined in the Indenture) subject to a prior lien of such Pledged Revenues as described in the Pledge Agreement and no incorporator, member, employee, agent, director or officer of the Corporation or the City shall at any time or under any circumstances be individually or personally liable under the Indenture or the Lease Agreement for anything done or omitted to be done by the Corporation thereunder. The Bonds and the interest thereon do not constitute a debt of the City of St. Louis, Missouri, or the State of Missouri, and neither said City nor said State shall be liable thereon, and the Bonds shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. Pursuant to the Lease Agreement, the City has agreed to make payments sufficient for the prompt payment when due of the principal of, and redemption premium, if any, and interest on, the Bonds, which are to be paid by the City directly to the Trustee for the account of the Corporation, and all Rentals and certain other revenues and receipts under the Lease Agreement (except as reserved therein) have been duly pledged and assigned to the Trustee for that purpose.

THE LEASE AGREEMENT IS SUBJECT ANNUALLY TO THE APPROPRIATION OF RENTALS BY THE CITY. IF THE CITY FAILS TO APPROPRIATE FUNDS FOR RENTALS IN ANY FISCAL YEAR, THEN THE LEASE AGREEMENT SHALL TERMINATE AT THE END OF THE CURRENT FISCAL YEAR FOR WHICH FUNDS HAVE BEEN APPROPRIATED. THE CORPORATION HAS NO TAXING AUTHORITY.

THE REGISTERED OWNER of this Bond shall have no right to enforce the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture. In certain events, on the conditions, in the manner and with the effect set forth in the Indenture, the principal of all the Bonds issued under the Indenture and then outstanding may become or may be declared due and payable before the stated maturity thereof, together with interest accrued thereon. Modifications or alterations of this Bond or the Indenture may be made only to the extent and in the circumstances permitted by the Indenture.

THIS BOND is transferable, as provided in the Indenture, in the Bond Register only upon surrender of this Bond to the Trustee duly endorsed for transfer or accompanied by a written instrument of transfer satisfactory to the Trustee duly executed by the Registered Owner hereof or his attorney or legal representative, and thereupon a new Bond or Bonds in the same aggregate principal amount shall be issued to the transferee in exchange therefor as provided in the Indenture. The Corporation, the Trustee and the Paying Agent may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes.

The Bonds are issuable in denominations of \$5,000 or integral multiples thereof at their stated maturity. The Registered Owner of any Bond or Bonds may surrender the same in exchange for an equal aggregate principal amount of Bonds of any authorized denomination in the manner, subject to the conditions and upon the payment of the charges provided in the Indenture. No service charge shall be made for any transfer or exchange of Bonds, but the Trustee or the Corporation may require payment of any tax or governmental charge in connection therewith.

THIS BOND shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the Certificate of Authentication thereon shall have been executed by the Trustee.

[STATEMENT OF INSURANCE

\_\_\_\_\_ (the "Credit Provider") has issued a policy containing the following provisions with respect to the St. Louis Municipal Finance Corporation City Justice Center Leasehold Revenue Improvement Bonds, Series 1996A (the "Series 1996A Bonds"), such policy being on file at the principal office of the \_\_\_\_\_ as paying agent (the "Paying Agent"):

Credit Provider hereby unconditionally and irrevocably agrees to pay for disbursement to the Bondholders that portion of the principal of and interest on the Bonds which is then due for payment and which the St. Louis Municipal Finance Corporation (the "Issuer") shall have failed to provide. Due for payment means with respect to the principal, the stated maturity date thereof, or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which the payment of principal of the Bonds is due by reason of call for redemption (other than mandatory sinking fund redemption), acceleration or other advancement of maturity, and with respect to interest, the stated date for payment of such interest.

Upon receipt of telephonic or telegraphic notice, subsequently confirmed in writing, or written notice by registered or certified mail, from a Bondholder or the Paying Agent to Credit Provider that the required payment of principal or interest has not been made by the Issuer to the Paying Agent, Credit Provider on the due date of such payment or within one business day after receipt of notice of such nonpayment, whichever is later, will make a deposit of funds, in an account with \_\_\_\_\_, or its successor as its agent (the "Fiscal Agent"), sufficient to make the portion of such payment not paid by the Issuer. Upon presentation to the Fiscal Agent of evidence satisfactory to it of the Bondholder's right to receive such payment and any appropriate instruments or assignment required to vest all of such Bondholder's right to such payment in Credit Provider, the Fiscal Agent will disburse such amount to the Bondholder.

As used herein the term "Bondholder" means the person other than the Issuer or the City, as such term is defined in the Indenture, who at the time of nonpayment of a Bond is entitled under the terms of such Bond to payment thereof.

The policy is non-cancelable for any reason.]

IT IS HEREBY CERTIFIED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the

execution and delivery of the Indenture and the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law.

IN WITNESS WHEREOF, St. Louis Municipal Finance Corporation has caused this Bond to be executed in its name by the manual signature of its President or Vice President and attested by the manual signature of its Secretary or Assistant Secretary and its corporation seal to be affixed hereto or imprinted or reproduced hereon, all as of the first day of August, 1996.

ST. LOUIS MUNICIPAL FINANCE CORPORATION

By: \_\_\_\_\_  
President  
(SEAL)

Attest: \_\_\_\_\_  
Secretary

CERTIFICATION OF AUTHENTICATION

This Bond is one of the Bonds described in the within mentioned Indenture.

Mark Twain Bank, as Trustee

By: \_\_\_\_\_  
Authorized Signature

(Assignment)

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

\_\_\_\_\_  
Please Print or Typewrite Name, Address and  
Employer Identification Number or Social Security Number of Transferee

\_\_\_\_\_  
\_the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_ Attorney to transfer the within Bond on the Bond Register kept for registration thereof, with full power of substitution in the premises.



Dated: \_\_\_\_\_  
NOTICE:

The signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

Signature Guaranteed by:

\_\_\_\_\_  
(Name of Bank)

By: \_\_\_\_\_  
Title: \_\_\_\_\_

FORM OF SERIES 1996B BOND

REGISTERED REGISTERED  
NUMBER

\_\_\_\_\_ \$ \_\_\_\_\_

UNITED STATES OF AMERICA

STATE OF MISSOURI

ST. LOUIS MUNICIPAL FINANCE CORPORATION

CITY JUSTICE CENTER LEASEHOLD REVENUE IMPROVEMENT  
BONDS, SERIES 1996B

Interest Maturity  
Rate Date Dated Date CUSIP

\_\_\_\_\_% Per Annum February 15, \_\_\_\_\_

REGISTERED OWNER: Cede & Co.

PRINCIPAL AMOUNT:

ST. LOUIS MUNICIPAL FINANCE CORPORATION, a nonprofit corporation duly organized and existing under the Missouri Nonprofit Corporation Act (the "Corporation"), for value received, promises to pay, but only from the sources and in the manner hereinafter described, to the

Registered Owner identified above, or registered assigns, on the Maturity Date specified above, unless called for redemption prior to maturity, the Principal Amount specified above and to pay interest thereon from said sources at the Interest Rate specified above from the Bond Date specified above, or from the most recent date to which interest has been paid, on February 15 and August 15 in each year beginning February 15, 1997 (each being an "Interest Payment Date"). As provided in the hereinafter defined Indenture, interest on this Bond will be paid to the person in whose name this Bond is registered in the hereinafter defined Bond Register at the close of business on the first day (whether or not a business day) of the calendar month preceding the month in which the applicable Interest Payment Date occurs (the "Regular Record Date") by check or draft mailed to the Registered Owner hereof at his address as it appears in the Bond Register or in such other manner as is determined in accordance with the Indenture.

Notwithstanding any other provision hereof, this Bond is subject to a book-entry system maintained by The Depository Trust Company ("DTC") and payment of principal and interest, the provision of notices and other matters will be made as described in the Corporation's Letter of Representations to DTC.

Unless this Bond is presented by an authorized representative of DTC to the Corporation or its agent for registration of transfer, exchange or payment, and any Bond issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of DTC and payment is made to Cede & Co., any transfer, pledge, or other use hereof for value or otherwise by or to any person is wrongful since the Registered Owner hereof, Cede & Co., has an interest herein.

The Principal Amount and redemption premium, if any, are payable upon presentation and surrender of this Bond at the principal corporate trust office of Mark Twain Bank in St. Louis, Missouri (the "Trustee"). The Principal Amount and interest on this Bond (computed on the basis of a 360-day year consisting of twelve 30-day months) are payable in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts.

THIS BOND is one of a duly only in Bonds authorized issue of bonds of the Corporation designated City Justice Center Leasehold Revenue Improvement and Refunding Bonds, Series 1996B, in the aggregate principal amount of \$\_\_\_\_\_ (the "Series 1996B Bonds"). The Bonds are being issued to provide funds to the Corporation to enable the Corporation to pay the cost of

the acquisition, by lease or purchase, including condemnation, of real and personal property, construction, equipping and installing of furnishings and equipment for St. Louis Jail Facilities (the "St. Louis Jail Facilities"), to refund certain outstanding St. Louis Municipal Finance Corporation Leasehold Revenue Improvement and Refunding Bonds, Series 1992, to fund capitalized interest and a debt service reserve fund and to pay costs of issuance related thereto, by the authority of and in full compliance with the provisions, restrictions and limitations of the constitution and statutes of the State of Missouri and the ordinances of the City of St. Louis.

THE BONDS are issued under and are equally and ratably secured and entitled to the protection given by an Indenture of Trust, dated as of the Dated Date, as amended and supplemented from time to time in accordance with the provisions thereof and a First Supplemental Indenture of Trust, dated as of the Dated Date (together, the "Indenture"), between the Corporation and the Trustee. Subject to the terms and conditions set forth therein, the Indenture permits the Corporation to issue Additional Bonds (as defined therein) secured by the Indenture without the consent of Bondholders. Reference is hereby made to the Indenture for a description of the property pledged and assigned thereunder, and the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the Corporation, the Trustee, and the Bondholders, and the terms upon which the Bonds are issued and secured.

THE BONDS are subject to redemption and payment prior to their stated maturities by the Corporation, at the option of and upon instructions from the City, on any date upon any of the following conditions or events, provided all of the Bonds and all Additional Bonds, if any, are redeemed and paid according to their terms: (1) if title to, or the use of, substantially all of the St. Louis Jail Facilities is condemned by any authority having the power of eminent domain; (2) if the Corporation's interest in substantially all of the St. Louis Jail Facilities is found to be deficient or nonexistent to the extent that the St. Louis Jail Facilities is untenable or the efficient utilization of the St. Louis Jail Facilities by the City is impaired; (3) if substantially all of the St. Louis Jail Facilities is damaged or destroyed by fire or other casualty; or (4) if as a result of changes in the constitution of the State of Missouri or of legislative or administrative action by the State of Missouri, or any political subdivision thereof, or by the United States, or by reason of any action instituted in any court, the Lease Agreement shall become void or unenforceable, or impossible of performance without unreasonable delay, or in any other way, by reason of such change of circumstances, unreasonable burdens or excessive liabilities are imposed on the City or the Corporation. The Bonds redeemed as provided in

this paragraph shall be redeemed at a redemption price of 100% of the principal amount thereof, plus accrued interest thereon to the date fixed for redemption and payment without a premium.

The Bonds bearing a stated maturity date on February 15, \_\_\_\_ and thereafter are subject to optional redemption and payment prior to the stated maturities at the election of the Corporation upon direction and instruction by the City, on February 15, \_\_\_\_, and at any time thereafter, as a whole or in part, and if in part, in such order of maturity as the City in its sole discretion shall determine, at the respective redemption prices (expressed as a percentage of principal amount) set forth in the following table, plus accrued interest thereon to the redemption date:

Redemption Dates Redemption Prices

February 15, \_\_\_\_ through February 14, \_\_\_\_

February 15, \_\_\_\_ through February 14, \_\_\_\_

February 15, \_\_\_\_ and thereafter

The Series 1996B Bonds having a stated maturity date on February 15, \_\_\_\_, shall be subject to mandatory sinking fund redemption and payment prior to maturity on February 15, and on February 15 of each year thereafter to and including February 15, \_\_\_\_ at the redemption price of 100% of the principal amount so redeemed plus accrued interest thereon to the redemption date, without premium, in the following principal amounts (subject to certain credits as provided in the Indenture):

Redemption Dates Principal Amount

(leaving \$\_\_\_\_\_ of such Bonds to be paid on the stated maturity date on February 15, \_\_\_\_).

(iii) The Bonds shall be subject to optional redemption by the Corporation, in whole or in part, at any time, at the written direction of the City to the Corporation and the Trustee not less than 30 days nor more than 60 days prior to the Redemption Date, at a redemption price equal to one hundred percent (100%) of the principal amount of the Bonds to be redeemed, plus accrued interest, if any, on such Bonds to the Redemption Date, but without premium, in the event that the City exercises its option to prepay all or a portion of the amounts payable pursuant to the Bonds pursuant to casualty, condemnation, changes in law, or certain other events as herein provided in the third paragraph above from amounts available thereunder.

IN THE EVENT any of the Bonds are called for redemption as aforesaid, notice thereof identifying the Bonds to be redeemed will be given by first class mail, postage prepaid, mailed not less than 30 days nor more than 60 days prior to the redemption date to each Registered Owner of Bonds to be redeemed. All Bonds so called for redemption will cease to bear interest on the specified redemption date provided funds or certain securities sufficient for the redemption of such Bonds are on deposit at the place of payment at that time, shall not longer be secured by the Indenture and shall not be deemed to be outstanding under the Indenture.

THE BONDS and the interest thereon are special obligations of the Corporation or a parity with the Corporation's City Justice Center Leasehold Revenue Improvement Bonds, Series 1996A which are being issued simultaneously with the Series 1996B Bonds payable solely out of the Rentals and Additional Rentals (both as defined in the Indenture) and certain other revenues and receipts derived by the Corporation pursuant to the Lease Agreement dated as of the Dated Date between the Corporation and the City and payment made by the City under a Pledge Agreement dated the Dated Date made by the City in favor of the Trustee which pledges certain state reimbursements for the housing prisoners to the payment of debt service on the Bonds, and are secured by a pledge and assignment pursuant to the Indenture of the Trust Estate (as defined in the Indenture) subject to a prior lien of such Pledged Revenues as described in the Pledge Agreement and no incorporator, member, employee, agent, director or officer of the Corporation or the City shall at any time or under any circumstances be individually or personally liable under the Indenture or the Lease Agreement for anything done or omitted to be done by the Corporation thereunder. The Bonds and the interest thereon do not constitute a debt of the City of St. Louis, Missouri, or the State of Missouri, and neither said City nor said State shall be liable thereon, and the Bonds shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. Pursuant to the Lease Agreement, the City has agreed to make payments sufficient for the prompt payment when due of the principal of, and redemption premium, if any, and interest on, the Bonds, which are to be paid by the City directly to the Trustee for the account of the Corporation, and all Rentals and certain other revenues and receipts under the Lease Agreement (except as reserved therein) have been duly pledged and assigned to the Trustee for that purpose.

THE LEASE AGREEMENT IS SUBJECT ANNUALLY TO THE APPROPRIATION OF RENTALS BY THE CITY. IF THE CITY FAILS TO APPROPRIATE FUNDS FOR RENTALS IN ANY FISCAL YEAR, THEN THE LEASE AGREEMENT SHALL TERMINATE AT THE END OF THE

CURRENT FISCAL YEAR FOR WHICH FUNDS HAVE BEEN APPROPRIATED. THE CORPORATION HAS NO TAXING AUTHORITY.

THE REGISTERED OWNER of this Bond shall have no right to enforce the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture. In certain events, on the conditions, in the manner and with the effect set forth in the Indenture, the principal of all the Bonds issued under the Indenture and then outstanding may become or may be declared due and payable before the stated maturity thereof, together with interest accrued thereon. Modifications or alterations of this Bond or the Indenture may be made only to the extent and in the circumstances permitted by the Indenture.

THIS BOND is transferable, as provided in the Indenture, in the Bond Register only upon surrender of this Bond to the Trustee duly endorsed for transfer or accompanied by a written instrument of transfer satisfactory to the Trustee duly executed by the Registered Owner hereof or his attorney or legal representative, and thereupon a new Bond or Bonds in the same aggregate principal amount shall be issued to the transferee in exchange therefor as provided in the Indenture. The Corporation, the Trustee and the Paying Agent may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes.

The Bonds are issuable in denominations of \$5,000 or integral multiples thereof at their stated maturity. The Registered Owner of any Bond or Bonds may surrender the same in exchange for an equal aggregate principal amount of Bonds of any authorized denomination in the manner, subject to the conditions and upon the payment of the charges provided in the Indenture. No service charge shall be made for any transfer or exchange of Bonds, but the Trustee or the Corporation may require payment of any tax or governmental charge in connection therewith.

THIS BOND shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the Certificate of Authentication thereon shall have been executed by the Trustee.

[STATEMENT OF INSURANCE

\_\_\_\_\_ (the "Credit Provider") has issued a policy containing the following provisions with respect to the St. Louis Municipal Finance Corporation City Justice Center Leasehold Revenue Improvement and Refunding Bonds, Series 1996B (the "Series 1996B Bonds"), such policy being on file at the principal office of the \_\_\_\_\_ as paying agent (the "Paying Agent"):

Credit Provider hereby unconditionally and irrevocably agrees to pay for disbursement to the Bondholders that portion of the principal of and interest on the Bonds which is then due for payment and which the St. Louis Municipal Finance Corporation (the "Issuer") shall have failed to provide. Due for payment means with respect to the principal, the stated maturity date thereof, or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which the payment of principal of the Bonds is due by reason of call for redemption (other than mandatory sinking fund redemption), acceleration or other advancement of maturity, and with respect to interest, the stated date for payment of such interest.

Upon receipt of telephonic or telegraphic notice, subsequently confirmed in writing, or written notice by registered or certified mail, from a Bondholder or the Paying Agent to Credit Provider that the required payment of principal or interest has not been made by the Issuer to the Paying Agent, Credit Provider on the due date of such payment or within one business day after receipt of notice of such nonpayment, whichever is later, will make a deposit of funds, in an account with \_\_\_\_\_, or its successor as its agent (the "Fiscal Agent"), sufficient to make the portion of such payment not paid by the Issuer. Upon presentation to the Fiscal Agent of evidence satisfactory to it of the Bondholder's right to receive such payment and any appropriate instruments or assignment required to vest all of such Bondholder's right to such payment in Credit Provider, the Fiscal Agent will disburse such amount to the Bondholder.

As used herein the term "Bondholder" means the person other than the Issuer or the City, as such term is defined in the Indenture, who at the time of nonpayment of a Bond is entitled under the terms of such Bond to payment thereof.

The policy is non-cancelable for any reason.]

IT IS HEREBY CERTIFIED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Indenture and the issuance of this Bond do exist,

have happened and have been performed in due time, form and manner as required by law.

IN WITNESS WHEREOF, St. Louis Municipal Finance Corporation has caused this Bond to be executed in its name by the manual signature of its President or Vice President and attested by the manual signature of its Secretary or Assistant Secretary and its corporation seal to be affixed hereto or imprinted or reproduced hereon, all as of the first day of August, 1996.

ST. LOUIS MUNICIPAL FINANCE CORPORATION

By: \_\_\_\_\_  
President

(SEAL)

Attest: \_\_\_\_\_  
Secretary

#### CERTIFICATION OF AUTHENTICATION

This Bond is one of the Bonds described in the within mentioned Indenture.

Mark Twain Bank, as Trustee

By: \_\_\_\_\_  
Authorized Signature

(Assignment)

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

\_\_\_\_\_  
Please Print or Typewrite Name, Address and  
Employer Identification Number or Social Security Number of Transferee

\_\_\_\_\_  
\_the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_ Attorney to transfer the within Bond on the Bond Register kept for registration thereof, with full power of substitution in the premises.



Dated:\_\_\_\_\_

NOTICE:

The signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

Signature Guaranteed by:

\_\_\_\_\_  
(Name of Bank)

By:\_\_\_\_\_

Title:\_\_\_\_\_

Exhibit B

Scope of Work

The Project will include the acquisition of the Property described as Tract II on Schedule I to the Lease Purchase Agreement and the acquisition (by leasing or purchase, including condemnation), construction of the City Justice Center, described below, and equipping and installing furnishings and equipment for the City Justice Center.

The City Justice Center is planned as a 732 rated bed, stand-alone complex designed to predominantly house male and female pretrial residents. It is proposed that the corrections facility be physically organized into 64-bed capacity "pods." Each housing pod will incorporate sleeping space dayroom-dining areas and toilet-shower facilities, and be provided contiguous access to visiting, indoor-outdoor recreation areas, and a variety of operational and program support spaces.

EXHIBIT C

BASE LEASE

between

THE CITY OF ST. LOUIS, MISSOURI

and

ST. LOUIS MUNICIPAL FINANCE CORPORATION

DATED AS OF AUGUST 1, 1996

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The table of contents hereto and the headings and captions herein are deemed not a part of this document and are for convenience only.

BASE LEASE

THIS BASE LEASE (the "Base Lease") dated as of the Dated Date, by and between the CITY OF ST. LOUIS, a municipal corporation and political subdivision in the State of Missouri (the "City"), and ST. LOUIS MUNICIPAL FINANCE CORPORATION, a nonprofit corporation duly organized under the Missouri Nonprofit Corporation Act (the "Corporation"),

WITNESSETH:

WHEREAS, the City is a municipal corporation and a political subdivision duly organized and existing under its Charter and the Constitution and the laws of the State of Missouri with full lawful power and authority to enter into this Base Lease by and through its duly authorized officers; and

WHEREAS, the Corporation is a nonprofit corporation organized under the Missouri Nonprofit Corporation Act with full lawful power and authority to enter into this Base Lease by and through its Board of Directors; and

WHEREAS, the City now owns or is in the process of acquiring through its powers of eminent domain or purchase, fee simple title to the Property (hereinafter defined) located in the City described on Schedule I attached hereto and made a part hereof, including any improvements thereon and desires to lease such real estate to the Corporation; and

WHEREAS, the Corporation proposes to provide funds to the City to acquire (by lease or purchase) real and personal property, construct, equip and install furnishings and equipment for St. Louis Jail Facilities including the City Justice Center (hereinafter described) and refund the Series 1992 Bonds (hereinafter defined); and

WHEREAS, the Corporation proposes to issue, for the purpose of achieving the foregoing purposes, its City Justice Center Leasehold Revenue Improvement Bonds, Series 1996A and its City Justice Center Leasehold Revenue Improvement and Refunding Bonds, Series 1996B Bonds (collectively the "Series 1996 Bonds"), in an aggregate principal amount not to exceed \$135,000,000 authorized under and pursuant to a certain Indenture of Trust of even date herewith between the Corporation and Mark Twain Bank, as Trustee (the "Master Indenture"), and a First Supplemental Master Indenture of Trust supplementing the Master Indenture of even date herewith between the Corporation and the Trustee (the "Supplemental Indenture,") (which Supplemental Indenture and Master Indenture are incorporated herein by reference and are collectively referred to herein as the "Indenture").

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements herein set forth, the City and the Corporation do hereby covenant and agree as follows:

## ARTICLE I DEFINITIONS, RULES OF CONSTRUCTION

Section 1.1. Definitions of Words and Terms. Capitalized words and terms as used in this Base Lease, the Lease Agreement and the Indenture shall have the meanings set forth in the Indenture, unless some other meaning is plainly intended.

Section 1.2. Rules of Construction. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, the words importing the singular number shall include the plural and vice versa, and words importing persons shall include firms, associations and corporations, including public bodies, as well as natural persons.

Section 1.3 Accounting Terms. Accounting terms used herein and not otherwise specifically defined shall have the meaning ascribed such terms by generally accepted accounting principles as from time to time are in effect.

## ARTICLE II REPRESENTATIONS

Section 2.1. Representations of the City. The City represents, warrants and covenants as follows:

(a) The City is a municipal corporation and political subdivision duly created and existing under and pursuant to its Charter and the Constitution and laws of the State of Missouri;

(b) The lease of the Property and any improvements constructed thereon by the City to the Corporation, as provided in this Base Lease, will provide an essential service to the City and will contribute to the general welfare, safety and benefit of the City and its residents and as a result thereof will serve all of the aforesaid purposes and is therefore necessary, desirable and in the public interest;

(c) The City, pursuant to its Charter and the Ordinance has full power and authority to enter into the transactions contemplated by this Base Lease and to carry out its obligations hereunder, and has been duly authorized to execute and deliver this Base Lease and by proper action has duly authorized the execution and delivery of this Base Lease;

(d) Neither the execution and delivery of this Base Lease, nor the fulfillment of or compliance with the terms and conditions hereof, nor the consummation of the transactions contemplated hereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the City is now a party or by which the City is bound;

(e) The City has not made, done, executed or suffered, and warrants that it will not make, do, execute or suffer, any act or thing whereby the City's interests in

any property now or hereafter included in the Property shall be or may be impaired, changed or encumbered in any manner whatsoever except as permitted by this Base Lease and the Lease Agreement;

(f) The City now owns or is in the process of becoming the owner in fee of the Property free and clear of any liens or encumbrances except certain Permitted Encumbrances hereinabove referred to and except as contemplated herein, and such real property is presently, or upon the acquisition of fee title by the City will be, exempt from property and any other taxes levied by the State of Missouri or any political subdivision thereof or by the City; and

(g) The City shall not cause or permit the Property or any part thereof to be used to generate, manufacture, refine, transport, treat, store, handle, dispose, transfer, produce or process Hazardous Materials (as hereinbelow defined), except in compliance with all applicable Federal, State and local laws or regulations, nor shall the City cause or knowingly permit, as a result of any intentional or unintentional act or omission on the part of the City or any tenant or subtenant, a release of Hazardous Materials onto the Property. The City shall comply with and ensure compliance by all tenants and subtenants with all applicable Federal, State and local laws, ordinances, rules and regulations, whenever and by whomever triggered, and shall obtain and comply with, and ensure that all tenants and subtenants obtain and comply with, any and all approvals, registrations or permits required thereunder. The City shall (i) conduct and complete all investigations, studies, sampling and testing, and all remedial, removal, and other actions necessary to clean up and remove all Hazardous Materials, on, from, or affecting the Property (A) in accordance with all applicable Federal, State and local laws, ordinances, rules, regulations, and policies, (B) to the satisfaction of the Trustee, and (C) in accordance with the orders and directives of all Federal, State and local governmental authorities, and (ii) defend, indemnify, and hold harmless the Trustee from and against any claims, demands, penalties, fines, liabilities, settlements, damages, costs, or expenses of whatever kind of nature, known or unknown, contingent or otherwise not attributable to actions of the Trustee arising out of, or in any way related to: (A) the presence, disposal, release, or threatened release of any Hazardous Materials which are on, from, or affecting the soil, water, vegetation, buildings, personal property, persons, animals, or otherwise; (B) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Materials; and/or (C) any violation of laws, orders, regulations, requirements or demands of government authorities, or any policies or requirements of the Trustee, which are based upon or in any way related to such Hazardous Materials including, without limitation, attorney and consultant fees, investigation and laboratory fees,

courts costs, and litigation expenses. In the event that the Trustee elects to control, operate, sell or otherwise claim property rights in the Property, the City shall deliver the Property free of any and all Hazardous Materials so that the conditions of the Property shall conform with all applicable Federal, State and local laws, ordinances, rules or regulations affecting the Property. Prior to any such delivery of the Property, the City shall pay the Trustee, from its own funds, any amounts then required to be paid under subsection (ii) above.

For purposes of this paragraph, "Hazardous Materials" includes, without limit, any flammable explosives, radioactive materials, hazardous materials, hazardous wastes, hazardous or toxic substances, or related materials defined in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (42 U.S.C Sections 9601, et. seq.), the Hazardous Materials Transportation Act, as amended (49 U.S.C. Sections 1801 et. seq.), the Resource Conservation and Recovery Act, as amended (42 U.S.C. Section 9601, et. seq.), and in the regulations adopted and publications promulgated pursuant thereto, or any other Federal, State or local environmental law, ordinance, rule, or regulation. This provision shall remain enforceable notwithstanding any termination of the Lease Agreement due to an Event of Non-Appropriation or an Event of Default.

Section 2.2. Representations of the Corporation. The Corporation represents, warrants and covenants as follows:

(a) The Corporation is a nonprofit corporation duly incorporated under the Missouri Nonprofit Corporation Act and has full corporate power and authority to enter into this Base Lease and by proper corporate action its officers have been duly authorized to execute and deliver this Base Lease and by proper corporate action the Corporation has duly authorized the execution and delivery of this Base Lease;

(b) The execution and delivery of this Base Lease and the consummation of the transactions herein contemplated will not conflict with or constitute a breach of or default under the Corporation's articles of incorporation or bylaws or any bond, debenture, note or other evidence of indebtedness of the Corporation, or any contract, agreement or lease to which the Corporation is a party or by which it is bound;

(c) The Corporation will issue its City Justice Center Leasehold Revenue Improvement Bonds, Series 1996A and its City Justice Center Leasehold Revenue Improvement and Refunding Bonds Series 1996B to finance a portion of the Costs, including the refunding of the Series 1992 Bonds;

(d) Prior to any termination of or default under the Lease Agreement, the Corporation will not take or cause to be taken any action which will cause the interest on the Bonds to be included in gross income for purposes of Federal income taxation; and

(e) Interest on the Series 1996 Bonds is not includible in gross income of the Holders of Series 1996 Bonds for purposes of the Federal income taxes and is exempt from all income taxation imposed by the State under Chapter 143 of the Revised Statutes of Missouri. The Corporation will do all things necessary to assure the continuation of the tax-exempt status of the Series 1996 Bonds. The Corporation is exempt from Federal taxation on its income pursuant to Section 501(c)(3) of the Code.

### ARTICLE III

#### LEASE AND SUBLEASE OF PART OF THE PROJECT; RENTALS

Section 3.1. Lease of Property. The City demises and leases to the Corporation the Property currently under its control and management and the Corporation leases from the City effective August 1, 1996, such Property upon the terms and conditions herein provided, and with respect to the Property, subject to Permitted Encumbrances, for a Base Lease Term commencing as of the Dated Date and ending twenty (20) years beyond the final maturity date of the Series 1996 Bonds; provided, however, that if the Bonds have been paid in full at maturity or defeased pursuant to Article XIII of the Master Indenture and the City has not been required to surrender possession of the Property due to an Event of Non-Appropriation or an Event of Default under the Lease Agreement, the Base Lease will terminate upon such payment in full or defeasance.

The City agrees to acquire the Property not now owned by it and to acquire (by lease or purchase) real or personal property, construct, equip and install furnishings and equipment for St. Louis Jail Facilities including the City Justice Center and does hereby lease and demise such Property, subject to Permitted Encumbrances, to the Corporation upon the terms and conditions herein provided. Upon acquisition of any Property not now owned by the City, the same shall become a part of the Property leased hereunder, together with all improvements in respect of any Property hereafter acquired, constructed equipped or installed by the City, and shall be subject to all the terms, covenants, conditions and provisions herein contained, without further action on the part of either party.



Pursuant to the Lease Agreement the City agrees, on behalf of the Corporation, to acquire real or personal property, construct, equip and install furnishings and equipment for St. Louis Jail Facilities including the City Justice Center and to refund the Series 1992 Bonds. Each party hereto shall, upon request of the other party or the Trustee, execute such documents and take such actions as shall be deemed necessary by such other party or the Trustee to further evidence or confirm the lease of such premises hereunder.

This Base Lease shall terminate with respect to Tract I of the Property described in Schedule I to the Lease Agreement, but only as to such Tract I property and all improvements and equipment located thereon, on the date on which payment of principal and interest on all the Series 1996B Bonds have been made or provided for pursuant to Section 1301 of the Indenture.

Section 3.2. Sublease of the Project. Simultaneously with the delivery of this Base Lease, the Corporation is leasing the Property to the City pursuant to the Lease Agreement, but subject to the Indenture and the reservation of certain rights under this Base Lease. Upon acquisition of any other land, improvements or equipment as provided in Section 3.1 above from the City, the Corporation will likewise lease such land, improvements or equipment to the City pursuant to the Lease Agreement, subject to the Indenture.

Section 3.3. Assignment, Subleases and Mortgages. The Corporation shall not mortgage or otherwise assign its rights under this Base Lease or sublet the Property or the St. Louis Jail Facilities without the prior written consent of the City except in connection with any assignment of its rights as expressly provided for under the Lease Agreement.

Section 3.4. Rent and Other Considerations. As and for rental hereunder (the "Base Lease Rent") and in consideration of the leasing of the Property to the Corporation hereunder, and in order to provide funds for a portion of the Cost of the Project, the Corporation shall:

(a) Issue, sell and cause to be delivered to the purchasers thereof the Bonds in one or more Series in the principal amount, bearing interest, maturing and having the other details as set forth in the Master Indenture and any Supplemental Indenture; and

(b) Deposit the proceeds of the sale of each Series of Bonds as provided in the Master Indenture and any Supplemental Indenture.

Section 3.5. Additional Bonds. The Corporation may issue Additional Bonds for the purposes and upon the terms and conditions provided in Section 210 of the Master Indenture. The Corporation agrees, upon request of the City Representative, from time to time, to use its best efforts to issue the amount of Additional Bonds specified by the City, within the limits of law and under the conditions specified above and in the Indenture, provided that (i) the terms, manner of issuance, purchase price and disposition of proceeds of the sale of such Additional Bonds have been approved by the Board of Aldermen; (ii) the Corporation and the City shall have entered into a Supplemental Base Lease and Supplemental Lease Agreement, if necessary, to provide for the payment by the City of Rentals sufficient in amount to pay timely as and when due the principal of, redemption premium, if any, and interest on such Additional Bonds; and (iii) the Corporation shall have otherwise complied with the provisions of the Master Indenture with respect to the issuance of such Additional Bonds.

Upon the request of the City, the Corporation agrees to authorize, within the limits of law, and use its best efforts to issue and if issued to deposit with the Trustee the proceeds from the sale of Additional Bonds to complete the Project as authorized pursuant to Section 210 of the Master Indenture or to refund all of the Outstanding Bonds of any Series upon the terms and conditions provided in Section 208 of the Master Indenture.

#### ARTICLE IV DISBURSEMENT FROM PROJECT FUND

Section 4.1. Disbursement from Project Fund. The Corporation will authorize and direct the Trustee in the Indenture to use monies in the Project Fund for the payment, or for reimbursement to the City for payment, of the Costs upon the terms and conditions specified therein and in the Lease Agreement.

#### ARTICLE V TERMINATION

Section 5.1. Termination. This Base Lease shall terminate as specified in Section 3.1 hereof; provided, however, in the event the City pays all Rentals and Additional Rentals provided for in Article IV of the Lease Agreement and exercises thereafter the option to purchase the Corporation's interest in the remaining Base Lease Term hereunder as provided in Article X of the Lease Agreement, then this Base Lease shall be considered assigned to the City and terminated through merger of the leasehold interest with the fee interest in the real estate described in Schedule I, if the City is the owner of the fee interest

and elects to terminate the leasehold interest so acquired from the Corporation. The Corporation agrees, upon such assignment and termination of the Base Lease Term, to quit and surrender the Property as it then exists.

If an Event of Default under the Lease Agreement occurs for any reason, or if the City terminates the Lease Agreement and fails to purchase the Corporation's interest in the St. Louis Jail Facilities as provided in Article X of the Lease Agreement, the Corporation shall have the right to possession thereof for the remainder of the Base Lease Term and shall have the right to sublease the same or, sell its interest therein and in this Base Lease upon whatever terms and conditions it deems prudent; provided, that the St. Louis Jail Facilities shall always be operated for a lawful purpose. In such event, if the City so requests, the Corporation shall provide the City with adequate public liability insurance covering the St. Louis Jail Facilities for the remainder of the Base Lease Term and will furnish the City with evidence thereof. In the event that the Corporation shall receive a payment for the sale of its interest or total rental payments for subleasing that are, after the payment of the Corporation's expenses in connection therewith, including fees and expenses of the Trustee, in excess of the purchase price applicable under Section 10.1 of the Lease Agreement at the time of termination or default plus interest thereon at the interest rate per annum borne by the Bonds (which must be an amount sufficient to pay the principal of and all interest on the Bonds, or to provide for the payment thereof as provided in Article XIII of the Master Indenture, with amounts so received to be credited first to such interest and then to principal), then such excess shall be paid to the City by the Corporation, its assigns or its sublessee.

Section 5.2. Default by the Corporation. The City shall not have the right to exclude the Corporation from the St. Louis Jail Facilities or to take possession thereof (except pursuant to the Lease Agreement) or to terminate this Base Lease prior to the termination of the Base Lease Term upon any default by the Corporation hereunder; except that if, upon exercise of the option to purchase the Corporation's interest in the St. Louis Jail Facilities under the Lease Agreement granted to the City in Article X of the Lease Agreement and after the payment of the purchase price specified therein and the other sums payable under the Lease Agreement, the Corporation fails to convey its interest therein to the City pursuant to said option, then the City shall have the right to terminate this Base Lease, such termination to be effective 30 days after delivery of written notice of such termination to the Corporation. However, in the event of any default by the Corporation hereunder, the City may maintain an action, if permitted in equity, for specific performance.

Section 5.3. Quiet Enjoyment. Subject to the Lease Agreement, the Corporation at all times during the term of this Base Lease shall peaceably and quietly have and enjoy the St. Louis Facilities and use of the equipment.

Section 5.4. No Merger. Subject to Section 5.1, no union of the interests of the City and the Corporation herein shall result in a merger of this Base Lease and the Lease Agreement or of this Base Lease and the fee title to the real estate described in Schedule I hereto.

Section 5.5. Waiver of Personal Liability. All liabilities under this Base Lease on the part of the Corporation are corporate liabilities of the Corporation, and, to the extent permitted by law, the City hereby releases each and every incorporator, member, agent, employee, director and officer of the Corporation of and from any personal or individual liability under this Base Lease. No incorporator, member, agent, employee, director or officer of the Corporation, shall at any time or under any circumstances be individually or personally liable under this Base Lease for anything done or omitted to be done by the Corporation hereunder.

## ARTICLE VI CONTROL OF PART OF THE PROJECT DURING BASE LEASE TERM

Section 6.1. Control of Part of the Project During Base Lease Term. During the Base Lease Term, the Corporation shall have complete control over the Property subject to the Lease Agreement, this Base Lease and Permitted Encumbrances.

## ARTICLE VII MISCELLANEOUS

Section 7.1. Binding Effect. This Base Lease shall inure to the benefit of and shall be binding upon the City, the Corporation and their respective successors and assigns.

Section 7.2. Severability. In the event any provision hereof shall be determined to be invalid or unenforceable, the validity and effect of the other provisions hereof shall not be affected thereby.

Section 7.3. Amendments, Changes and Modifications. This Base Lease may not be effectively amended, changed, modified, altered or terminated, except as provided in Article XII of the Master Indenture.

Section 7.4. Execution in Counterparts. This Base Lease may be executed simultaneously in two or more counterparts, each of which shall be deemed to be an original and all of which together shall constitute but one and the same instrument.

Section 7.5. Applicable Law. This Base Lease shall be governed by and construed in accordance with the laws of the State of Missouri.

Section 7.6. Captions. The Section and Article headings herein are for convenience only and in no way define, limit or describe the scope or intent of any of the provisions hereof.

Section 7.7. Notices. It shall be sufficient service of any notice, request, complaint, demand or other paper required by this Base Lease to be given to or filed with the City, the Corporation or the Trustee if the same is given or filed in the manner and at the addresses specified in the Master Indenture.

Section 7.8. Delivery of Documents. The City agrees to cooperate with the Corporation and make all filings and recordings required under the Indenture. The Corporation shall, on an ongoing basis, execute and deliver all documents and make or cause to be made all filings and recordings necessary or reasonable in order to perfect, preserve and protect the interest of the Trustee under the Indenture in the pledged property and the Base Lease to the extent possible under applicable law. Not earlier than 180 days nor later than 30 days prior to each fifth anniversary of the closing for the Series 1996 Bonds, the Corporation shall deliver an opinion of the Missouri counsel to the Trustee indicating that all filings and recordings have been made and all other actions have been taken, so as to perfect, preserve and protect such interests under applicable law.

IN WITNESS WHEREOF, the City has caused this Base Lease to be executed in its name with its seal hereunder affixed and attested by its duly authorized officers. The Corporation has executed this Base Lease in its name with its seal hereunto affixed and attested by its duly authorized officers. All of the above occurred as of the date first above written.

CITY OF ST. LOUIS, MISSOURI  
SEAL as Lessor

By: \_\_\_\_\_  
Freeman R. Bosley, Jr.  
Mayor

By: \_\_\_\_\_

ATTEST: Darlene Green

Comptroller

\_\_\_\_\_  
Register

Approved as to Legal Form

\_\_\_\_\_  
City Counselor

SEAL

ST. LOUIS MUNICIPAL FINANCE CORPORATION

as Lessee

By: \_\_\_\_\_

President

ATTEST:

\_\_\_\_\_  
Secretary

STATE OF MISSOURI )

) SS

CITY OF ST. LOUIS )

On this \_\_\_\_ day of August, 1996, before me, the undersigned, a Notary Public, appeared Freeman R. Bosley, Jr. to me personally known, who, being by me duly sworn, did say that he is the Mayor of the CITY OF ST. LOUIS, MISSOURI, a municipal corporation and political subdivision, and that said instrument was signed and sealed on behalf of said City by authority of its City Council, and said Mayor and acknowledged said instrument to be executed for the purposes therein stated and as the free act and deed of said City.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year last above written.

\_\_\_\_\_  
Notary Public - State of Missouri  
Commissioned in City of St. Louis

My commission expires: \_\_\_\_\_.  
STATE OF MISSOURI )  
) SS  
CITY OF ST. LOUIS )

On this \_\_\_\_ day of August, 1996, before me, the undersigned, a Notary Public, appeared Darlene Green, to me personally known, who, being by me duly sworn, did say that she is the Comptroller of the CITY OF ST. LOUIS, MISSOURI, a municipal corporation and political subdivision, and that said instrument was signed and sealed on behalf of said City by authority of its City Council, and said Comptroller acknowledged said instrument to be executed for the purposes therein stated and as the free act and deed of said City.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year last above written.

\_\_\_\_\_  
Notary Public - State of Missouri  
Commissioned in City of St. Louis

My commission expires: \_\_\_\_\_.  
STATE OF MISSOURI )  
) SS  
CITY OF ST. LOUIS )

On this \_\_\_\_ day of August, 1996, before me, the undersigned, a Notary Public, appeared \_\_\_\_\_ to me personally known, who, being by me duly sworn, did say that she is the President of ST. LOUIS MUNICIPAL FINANCE CORPORATION, a Missouri not-for-profit corporation, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said officer acknowledged said instrument to be executed for the purposes therein stated and as the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year last above written.

\_\_\_\_\_  
Notary Public - State of Missouri  
Commissioned in City of St. Louis

My commission expires: \_\_\_\_\_.

## SCHEDULE I

SCHEDULE I TO BASE LEASE DATED AS OF THE DATED DATE,  
BETWEEN THE CITY OF ST. LOUIS, MISSOURI, AND ST. LOUIS  
MUNICIPAL FINANCE CORPORATION AND TO LEASE PURCHASE  
AGREEMENT DATED AS OF THE DATED DATE, BETWEEN ST. LOUIS  
MUNICIPAL FINANCE CORPORATION AND THE CITY OF ST. LOUIS,  
MISSOURI

The following-described real estate situated in the City of St. Louis, Missouri:

### Tract I

A parcel of land in City Block 4222 E being a part of Merchants Park  
Subdivision in the Thatcher tract described as follows:

The point of beginning being the intersection of the southern line of Thatcher Avenue (sixty feet wide), and eastern line of St. Louis Water Works conduit R/W (forty feet wide), thence along the eastern line of said R/W in a southerly direction a (1160.73') to the northern line of Calvary Avenue (sixty feet wide); thence in an easterly direction along the northern line of Calvary Avenue (sixty feet wide) a distance of one hundred forty-six and seventy-five hundredths feet (146.75') to a point; thence in a southerly direction a distance of thirty feet (30') to the northern line of Calvary Avenue (thirty feet wide) in an easterly direction a distance of nine hundred fifty-three and nine hundredths feet (943.09') to a point; thence northerly along a line perpendicularly distant eleven hundred feet (1100') and parallel to the eastern line of the City of St. Louis Water Works conduit R/W forty feet wide, a distance of eleven hundred ninety-three and forty-five hundredths feet (1193.45') to the southern line of Thatcher Avenue (sixty feet wide) thence along southern line of Thatcher Avenue (sixty feet wide) a distance of eleven hundred feet (1100') to the point of beginning, excepting therefrom that part dedicated to public use by plat recorded in Plat Book 35 Page 25.

It is anticipated that the following described property will be acquired by the City and become part of the Property under this Base Lease:

### Tract II



Lots 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, and 53 of the Henry Chouteau Estate and in Block 206 South of the City of St. Louis and more or less bounded North by the South line of Walnut St., South by the North line of the East and West alley in said City Block 206 South; West by the East line of Tucker (formerly 12th Street Blvd.) and East by the West line of Eleventh Street.

## EXHIBIT D

### LEASE PURCHASE AGREEMENT

between

ST. LOUIS MUNICIPAL FINANCE CORPORATION

and

THE CITY OF ST. LOUIS, MISSOURI

DATED AS OF AUGUST 1, 1996

As set forth in Section 8.1 hereof the interests of the Corporation in this Lease Purchase Agreement have been assigned to Mark Twain Bank, as Trustee under that certain Indenture of Trust dated as of the Dated Date, between the St. Louis Municipal Finance Corporation and Mark Twain Bank, as Trustee, and are subject to the lien and security interest of Mark Twain Bank, as Trustee.

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LEASE PURCHASE AGREEMENT

THIS LEASE PURCHASE AGREEMENT (the "Lease Agreement"), made and entered into as of the Dated Date, by and between the St. Louis Municipal Finance Corporation, a nonprofit corporation duly organized under the Missouri Nonprofit Corporation Act, as Lessor (the "Corporation"), and the City of St. Louis, a municipal corporation and political subdivision in the State of Missouri, as Lessee (the "City"),

WITNESSETH:

WHEREAS, the Corporation is a nonprofit corporation organized under the Missouri Nonprofit Corporation Act with full lawful power and authority to enter into this Lease Agreement by and through its Board of Directors; and

WHEREAS, the City is a municipal corporation and political subdivision duly organized and existing under its Charter and the Constitution and the laws of the State of Missouri with full lawful power and authority to enter into this Lease Agreement by and through its duly authorized officers; and

WHEREAS, the City is obligated pursuant to court order to provide additional jail facilities; and

WHEREAS, the Corporation has heretofore issued its Leasehold Revenue Improvement and Refunding Bonds, Series 1992, dated as of June 1, 1992 (the "Series 1992 Bonds") to finance part of the St. Louis Jail Facilities; and

WHEREAS, the Corporation and the City have determined that it is in their best interests to refund the Series 1992 bonds and to issue the Series 1996 Bonds as hereinafter provided: and

WHEREAS, pursuant to the terms of a Base Lease by and between the City and the Corporation dated as of the Dated Date, the City leased the real estate described in Schedule I hereto and the existing improvements and certain equipment and other personal property to the Corporation for the payments and upon the terms and conditions therein set forth; and

WHEREAS, the Corporation proposes to provide funds to the City to acquire (by lease or purchase, including condemnation) real and personal property,

construct, equip and install furnishings and equipment for St. Louis Jail Facilities, including the City Justice Center (hereinafter described) and to refund the Series 1992 Bonds; and

WHEREAS, the Corporation proposes to issue to achieve the foregoing purposes, its City Justice Center Leasehold Revenue Improvement Bonds, Series 1996A and its City Justice Center Leasehold Revenue Improvement and Refunding Bonds, Series 1996B (collectively, the "Series 1996 Bonds"), in an aggregate principal amount not to exceed \$135,000,000, authorized under and pursuant to a certain Indenture of Trust of even date herewith between the Corporation and Mark Twain Bank, St. Louis, Missouri, as Trustee (the "Master Indenture"), and a First Supplemental Indenture of Trust supplementing the Master Indenture of even date herewith between the Corporation and the Trustee (the "Supplemental Indenture", which Supplemental Indenture and Master Indenture are incorporated herein by reference and are collectively referred to herein as the "Indenture").

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements herein set forth, the Corporation and the City do hereby covenant and agree as follows:

## ARTICLE I DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.1. Definitions of Words and Terms. Capitalized words and terms used in the Base Lease, this Lease Agreement and the Indenture shall have the meanings as set forth in the Indenture unless some other meaning is plainly intended.

Section 1.2. Rules of Construction. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, the words importing the singular number shall include the plural and vice versa, and words importing person shall include firms, associations and corporations, including public bodies, as well as natural persons.

Section 1.3. Accounting Terms. Accounting terms used herein and not otherwise specifically defined shall have the meaning ascribed to such terms by generally accepted accounting principles as from time to time in effect.

## ARTICLE II REPRESENTATIONS

Section 2.1. Representations by the Corporation. The Corporation represents, warrants and covenants as follows:

- (a) The Corporation is a nonprofit corporation duly incorporated under the Missouri Nonprofit Corporation Act and has corporate power to enter into this Lease Agreement. By proper corporate action its officers have been duly authorized to execute and deliver this Lease Agreement;
- (b) The execution and delivery of this Lease Agreement and the consummation of the transactions herein contemplated will not conflict with or constitute a breach of or default under the Corporation's articles of incorporation or bylaws or any bond, debenture, note or other evidence of indebtedness of the Corporation, or any contract, agreement or sublease to which the Corporation is a party or by which it is bound or materially affecting its property or assets;
- (c) The leasing of the Property to the City and the providing of funds to the City to finance the Costs of the Project will further the public purpose of the Corporation;
- (d) The Corporation will issue its City Justice Center Leasehold Revenue Improvement Bonds, Series 1996A, and its City Justice Center Leasehold Revenue Improvement and Refunding Bonds, Series 1996B, to finance a portion of the Costs; and
- (e) Interest on the Series 1996 Bonds is not includible in gross income of the Holders thereof for purposes of the Federal income taxes and is exempt from all income taxation imposed by the State under Chapter 143 of the Revised Statutes of Missouri. The Corporation will do all things necessary and within its control to assure the continuation of the tax-exempt status of the Bonds. The Corporation is exempt from Federal taxation on its income pursuant to Section 501(c)(3) of the Code.

Section 2.2. Representations by the City. The City represents, warrants and covenants as follows:

- (a) The City is a municipal corporation and political subdivision, duly created and existing under and pursuant to its Charter and the Constitution and laws of the State of Missouri.
- (b) The lease of the Property by the Corporation to the City, as provided in this Lease Agreement, will contribute to the general welfare and benefit of the City

and its residents by providing for the Project which will serve the aforesaid purposes and is therefore necessary, desirable and in the public interest.

(c) The City, pursuant to its Charter and the Ordinance has full power and authority to enter into the transactions contemplated by this Lease Agreement and to carry out its obligations hereunder, and has been duly authorized to execute and deliver this Lease Agreement and by proper action has duly authorized the execution and delivery of this Lease Agreement.

(d) Neither the execution and delivery of this Lease Agreement, nor the fulfillment of or compliance with the terms and conditions hereof, nor the consummation of the transactions contemplated hereby conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the City is now a party or by which the City is bound.

(e) The City has not made, done, executed or suffered, and warrants that it will not make, do, execute or suffer, any act or thing whereby the City's interests in any property now or hereafter included in the St. Louis Jail Facilities shall be or may be impaired, changed or encumbered in any manner whatsoever except as permitted by the Base Lease and this Lease Agreement.

(f) The City represents and warrants that (i) the City is a governmental unit under the laws of the State of Missouri with general taxing powers and (ii) 95% or more of the net proceeds of the Bonds will be used for local governmental activities of the City.

(g) The City is now the owner or is in the process of acquiring fee title to the Property free and clear of any liens and encumbrances except the Permitted Encumbrances, and such real property is presently, or will be upon transfer of title to the City, exempt from property and other taxes levied by the State of Missouri or any political subdivision thereof or by the City.

(h) This Lease Agreement, the Base Lease and the Non-Arbitrage Certificate constitute legal, valid and binding obligations of the City enforceable against the City in accordance with their respective terms, except as such enforceability may be limited by bankruptcy, insolvency, moratorium or other similar laws affecting or relating to the enforcement of creditors' rights generally.

(i) Pursuant to the Base Lease, the Corporation has been vested or upon acquisition of the additional real estate by the City will be vested with a good and valid leasehold interest in the St. Louis Jail Facilities.



(j) There is no action or proceeding pending or to the knowledge of the City threatened by or against the City by or before any court or administrative body that would materially adversely affect the ability of the City to perform its obligations under this Lease Agreement, the Base Lease and the Non-Arbitrage Certificate and all authorizations, consents and approvals of governmental bodies or agencies required to be obtained by the City as of the date hereof in connection with the execution and delivery of this Lease Agreement, the Base Lease and the Non-Arbitrage Certificate or in connection with the performance of the obligations of the City hereunder and thereunder have been obtained.

(k) It is the City's intent to pay all Rentals and Additional Rentals for the Lease Term if funds are legally available therefor and in that regard the City represents that the use of the St. Louis Jail Facilities, including the City Justice Center is essential to its proper, efficient and economic operation.

### ARTICLE III GRANTING PROVISIONS; TERM

#### Section 3.1. Conveyance; Granting of Leasehold.

(a) Simultaneously with the issuance of the Bonds (i) the City and the Corporation will enter into the Base Lease and (ii) the Corporation will deposit the proceeds of the Bonds in accordance with Section 503 of the Indenture. The Bond proceeds shall be utilized as provided in the Indenture.

(b) The Corporation, by these presents, hereby rents, leases and sublets the Property currently under its control and management, subject to Permitted Encumbrances, unto the City and the City hereby rents and leases such Property, subject to Permitted Encumbrances, from the Corporation for the Rentals and Additional Rentals and subject to the terms and conditions hereinafter set forth.

The Corporation does hereby lease and demise such additional Property acquired by the City and leased to the Corporation pursuant to the Base Lease, subject to Permitted Encumbrances, to the Corporation upon the terms and conditions herein provided. Upon acquisition by the Corporation of a leasehold interest in any Property not now owned by the City, the same shall become a part of the Property leased hereunder, together with all improvements in respect of any Property hereafter acquired, constructed, equipped or installed by the City, and shall be subject to all the terms, covenants, conditions and provisions herein contained, without further action on the part of either party.

(c) The City shall take all necessary steps on or prior to the date of closing of the Series 1996 Bonds to provide the Corporation with a valid and binding first lien upon its leasehold interest in the St. Louis Jail Facilities and will provide the Corporation with an opinion of counsel to the City that all necessary action related thereto, including, but not limited to, the timely filing of financing statements, have been taken.

(d) The City agrees to execute and deliver to the Corporation, upon the Corporation's request, any financing statements, as well as extensions, renewals and amendments thereof, in such form as the Corporation may require to perfect a security interest with respect to said items and with respect to its leasehold interest in the St. Louis Jail Facilities. The City shall pay all costs of filing such financing statements as well as any extensions, renewals, amendments and releases thereof, and shall pay all reasonable costs and expenses of any record searches for financing statements which the Corporation may reasonably require.

Section 3.2. Term of Lease Agreement; Termination; Annual Appropriation Required. The Term of this Lease Agreement shall commence as of the Dated Date and shall terminate on the earliest of the occurrence of any of the following events: (i) the last day of the then current Fiscal Year of the City during which there occurs an Event of Non-Appropriation with respect to the City; (ii) there occurs an Event of Default by the City under this Lease Agreement if the Corporation or the Trustee elects such remedy pursuant to Section 12.2; (iii) the date upon which all Rentals and Additional Rentals, as the case may be, required under this Lease Agreement shall be paid by the City; or (iv) discharge of the Indenture as provided in Article XIII of the Master Indenture. The term of this Lease Agreement shall terminate with respect to Tract I of the Property described in Schedule I to this Lease Agreement, but only as to such Tract I property and all improvements and equipment located thereon, on the date on which payment of principal and interest on all the Series 1996B Bonds have been made or provided for pursuant to Section 1301 of the Indenture. The expiration or termination of the term of this Lease Agreement as to the City's right of possession of the St. Louis Jail Facilities shall terminate the City's rights of use of the St. Louis Jail Facilities; provided, however, that all other terms of this Lease Agreement and the Indenture, including the continuation of City's purchase right under Section 10.1 hereof and all obligations of the Trustee with respect to the Holders of the Bonds and the receipt and disbursement of funds shall be continuing until the lien of the Indenture is discharged, as provided in the Master Indenture, except that all obligations of the City to pay any amounts to the Holders and the Trustee hereunder shall thereafter be satisfied only as provided in the Indenture and,

with respect to an Event of Non-Appropriation prior to such expiration or termination as provided in this Lease Agreement, are payable prior to the termination of this Lease Agreement. The termination or expiration of the term of this Lease Agreement, of itself, shall not discharge the lien of the Indenture.

Subject to the following two paragraphs, the payment obligations of the City under this Lease Agreement shall be absolute and unconditional, free of deductions and without any abatement, offset, recoupment, diminution or set-off whatsoever and shall be sufficient to provide all funds required for debt service on the Series 1996 Bonds, funding of the Debt Service Reserve Fund and all other amounts required under the Indenture.

Nothing herein shall be construed to require the Board of Aldermen to appropriate any money to pay any Rentals or Additional Rentals (except as heretofore appropriated). If the City fails to pay any portion of the Rentals or Additional Rentals which are due hereunder, the City, upon the request of the Trustee or the Corporation, will immediately quit and vacate the St. Louis Jail Facilities, and the Rentals and Additional Rentals (except for payments which have been theretofore appropriated and then available for such purpose) shall thereupon cease, it being understood between the parties that the City shall not be obligated to pay any Rentals or Additional Rentals to the Corporation hereunder except as provided herein. Should the City fail to pay any portion of the required Rentals and Additional Rentals, the Trustee in accordance with the Indenture may immediately bring legal action to evict the City from the St. Louis Jail Facilities. No judgment may be entered against the City for failure to pay any Rentals or Additional Rentals, except to the extent that the City has theretofore incurred liability to pay such Rentals or Additional Rentals through its actual use and occupancy of the St. Louis Jail Facilities.

The Rentals and Additional Rentals constitute current expenses of the City and the City's obligations hereunder are from year to year only and do not constitute a mandatory payment obligation of the City in any ensuing Fiscal Year beyond the current Fiscal Year. No provision hereof shall be construed or interpreted as creating a general obligation or other indebtedness of the City or any agency or instrumentality of the City within the meaning of any constitutional or statutory debt limitation. Neither the execution, delivery and performance of this Lease Agreement nor the issuance of the Bonds directly or indirectly or contingently obligates the City to make any payments hereunder beyond those appropriated for the City's then current Fiscal Year; provided, however, that nothing herein shall be construed to limit the rights of the Bondholders or the Trustee to receive any amounts which may be realized from the Trust Estate pursuant to the Indenture.

B. City Covenant. The City covenants and agrees that the City's Budget Director, or any other officer at any time charged with responsibility of formulating budget proposals, is directed to include in the budget proposals submitted to the Board of Estimate and Apportionment, and to the extent permitted by law, to the Board of Aldermen of the City, in any year during the Lease Term, a request or requests for the Rentals and a reasonable estimate of Additional Rentals. Requests for appropriations shall be made in each Fiscal Year so that the City's Rentals and a reasonable estimate of Additional Rentals to be paid during the succeeding Fiscal Year will be available for such purposes. It is the intention of the City that the decision to appropriate the City's Rentals and Additional Rentals to provide financing for the Project pursuant to this Lease Agreement shall be made solely by the Board of Aldermen and not by any other official of the City except subject to the power of the Mayor of the City to approve or disapprove ordinances. The City presently expects to, in each Fiscal Year of the City during this Lease Term, appropriate funds for the City to provide financing for the Project in an amount sufficient to pay principal of, interest on and redemption premium, if any, on the Series 1996 Bonds. Upon such appropriation, the Rentals and reasonably estimated Additional Rentals will be available for such Fiscal Year to be drawn upon to make payments pursuant to the terms of this Lease Agreement after the budget is adopted and in no event later than July 1 of each year.

The City shall give notice to the Corporation with a copy to the Trustee as early as practicable in each Fiscal Year and in any case no later than three (3) Business Days following the date on which the budget for the next succeeding Fiscal Year is finally approved by the Board of Aldermen of the City of either (i) the termination of this Lease Agreement or (ii) that sufficient funds have been budgeted and appropriated to make all payments of Rentals and Additional Rentals during the next succeeding Fiscal Year. Notice that sufficient funds have been appropriated for the next succeeding Fiscal Year shall be accompanied by evidence satisfactory to the Corporation that sufficient funds have been budgeted and appropriated to make all Rentals for the Fiscal Year to which such notice pertains and to make such payments of Additional Rentals as shall be required during such Fiscal Year by the terms of this Lease Agreement. If the Trustee does not receive such notice the Trustee shall make independent inquiry of the fact of whether or not such appropriation has been made. If notice of termination has been duly given, all of the City's right, title, interest and obligations under this Lease Agreement shall terminate without penalty on the last day of the then current Fiscal Year. Failure of the City to budget and appropriate prior to July 1 of each year funds in the minimum amount equal to the Rentals and a reasonable estimate of Additional Rentals

during such Fiscal Year, shall constitute termination of this Lease Agreement at the end of the Fiscal Year then in effect, and failure to give notice to the Corporation of such termination as heretofore provided shall not affect such automatic termination.

The City intends, subject to the provisions above with respect to the failure of the City to budget or appropriate funds to pay Rentals and a reasonable estimate of Additional Rentals, to continue the Lease Term and to pay the Rentals and Additional Rentals hereunder. The City reasonably believes that legally available funds in an amount sufficient to pay all Rentals and Additional Rentals during the Lease Term can be obtained and in addition to using its bonafide best efforts to accomplish the same shall exhaust all available administrative reviews and appeals, if any, in the event such portion of the budget request is not approved. Notwithstanding the foregoing, the decision to budget and appropriate funds or to continue the Lease Term is to be made in accordance with the City's normal procedures for such decisions.

Section 3.3. Use of Premises. The City shall have the right to use, occupy or operate the St. Louis Jail Facilities for any lawful public purpose with respect to the Project and shall not use, occupy or operate the St. Louis Jail Facilities so as to make void or voidable any insurance then in force with respect thereto and will not or cause interest on the Bonds to become subject to Federal or Missouri income taxes.

Section 3.4. Quiet Enjoyment and Possession. During the Lease Term the Corporation shall provide the City with quiet use and enjoyment of the St. Louis Jail Facilities and the City shall during such Lease Term peaceably and quietly have and hold and enjoy the St. Louis Jail Facilities, without suit, trouble or hindrance from the Corporation, except as expressly set forth in this Lease Agreement. The Corporation shall have the right to inspect the St. Louis Jail Facilities as provided in Section 16.3 hereof.

#### ARTICLE IV PROVISIONS FOR PAYMENT, REDEMPTION OF BONDS

Section 4.1. Rentals. The City, subject to the provisions of Section 3.2 hereof, agrees to pay or cause to be paid (the latter with respect to amounts to be paid to the Trustee pursuant to Section 4 of the Pledge Agreement) the amounts required by this Lease Agreement as follows:

Until the principal of, premium, if any, and interest on the Bonds shall have been fully paid or provision for the payment thereof shall have been made in

accordance with Article XIII of the Master Indenture, the City shall pay to the Trustee, as the assignee of the Corporation, in funds which will be immediately available to the Trustee not less than five (5) Business Days before the date any payment is due, as Rentals in respect of the Project, amounts which shall correspond to the payments in respect of the principal of, premium, if any, and interest on the Bonds whenever and in whatever manner the same shall become due, whether at Stated Maturity, upon redemption or acceleration or otherwise.

The City covenants and agrees that it will pay Rentals at such times and in such amounts as to assure that no default in the payment of principal of, premium, if any, or interest on the Bonds shall at any time occur. If the balance in the Bond Fund (not subject to the lien of the Trustee under Section 1002 of the Master Indenture) is less than the sum then required to be on deposit therein in order to pay the principal of, premium, if any, and interest then payable on the Bonds in accordance with the provisions of this Section 4.1, the City will forthwith pay as Rentals any such deficiency to the Trustee for deposit in the Bond Fund in immediately available funds; provided, that, any amount at any time held by the Trustee in the Bond Fund (not subject to the lien of the Trustee under Section 1002 of the Master Indenture) for the payment of the principal of, premium, if any, and interest on the Bonds shall, at the election of the City, be credited against the Rentals next required to be paid by the City, to the extent such amount is in excess of the amount required for payment of (i) any Bonds theretofore matured or called for redemption plus (ii) past due interest, in all cases where such Bonds or interest checks have not been presented for payment; and provided, further, that if the amount held by the Trustee in the Bond Fund (not subject to the lien of the Trustee under Section 1002 of the Master Indenture) shall be sufficient to pay at the times required the principal of, premium, if any, and interest on all of the Bonds then remaining unpaid, the City shall not be obligated to pay Rentals.

The City covenants and agrees to make the Rentals to the Trustee at its principal corporate trust office for the account of the Corporation during the Lease Term on or before 11:00 A.M., Trustee's local time, in the appropriate amount and on the Rental payment dates. All Rentals shall be deposited by the Trustee in accordance with the provisions of the Indenture and shall be used and applied by the Trustee in the manner and for the purpose set forth in the Indenture.

Section 4.2. Additional Rentals. The City shall pay or cause to be paid, subject to the provisions of Section 3.2 hereof, as Additional Rentals:

- (a) To the Trustee amounts equal to the amounts to be paid to the Trustee pursuant to Section 1002 of the Master Indenture;
- (b) All Impositions (as defined in Article VI hereof);
- (c) All amounts required under Section 15.1 of this Lease Agreement;
- (d) All costs incident to the payment of the principal of and interest on the Bonds as the same become due and payable, including all costs, premiums and expenses in connection with the call, redemption and payment of all Outstanding Bonds which amounts shall be deposited in the Bond Fund;
- (e) The payments, if any, which the City shall be required hereunder to deposit into the Debt Service Reserve Fund pursuant to the procedure set forth in Section 503 of the First Supplemental Indenture;
- (f) All reasonable expenses and advances incurred or made in connection with the enforcement of any rights under this Lease Agreement or the Indenture by the Corporation or the Trustee and any reasonable expenses incurred by the Corporation to enable it to comply with the provisions of the Base Lease, this Lease Agreement or the Indenture;
- (g) All reasonable fees and expenses of a Credit Provider, if any, for the provision of any Credit Enhancement including any reimbursements and any amounts owing under any credit agreement;
- (h) All reasonable and necessary fees and expenses the Corporation incurred in connection with the Series 1996 Bonds or the establishment and maintenance of the Corporation's status as a Missouri nonprofit corporation or a qualified 501(c)(3) corporation; and
- (i) All amounts required to be rebated to the United States as provided in the Indenture.

Section 4.3. Rentals and Additional Rentals, etc., Payable without Abatement or Set-Off; City Obligations, Assignments of Rentals and Certain Additional Rentals. Subject to the provisions of Section 3.2, the City covenants and agrees with and for the express benefit of the Corporation from time to time Outstanding that all payments of Rentals and Additional Rentals shall be made by the City on or before the date the same become due, and the City shall perform all of its other obligations, covenants and agreements hereunder (including the obligation to pay Rentals and Additional Rentals) without notice

or demand, and without abatement, offset, deduction, set-off, counterclaim, recoupment or defense or any right of termination or cancellation arising from any circumstance whatsoever, whether now existing or hereafter arising, and irrespective of whether any portion of the Project shall have been started or completed and shall be sufficient to provide all funds required for debt service on the Series 1996 Bonds, funding of the Debt Service Reserve Fund and all other amounts required under the Indenture.

Nothing in this Lease Agreement shall be construed as a waiver by the City of any rights or claims the City may have against the Corporation under this Lease Agreement or otherwise, but any recovery upon such rights and claims shall be had from the Corporation separately, it being the intent of this Lease Agreement that the City shall be unconditionally and absolutely obligated to perform fully all of its obligations, agreements and covenants under this Lease Agreement (including the obligation to pay Rentals and Additional Rentals), subject to the provisions of Section 3.2 hereof. The City may, however, at its own cost and expense and in its own name or in the name of the Corporation, prosecute or defend any action or proceeding or take any other action involving third persons which the City deems reasonably necessary in order to secure or protect its right of possession, occupancy and use hereunder, and in such event the Corporation hereby agrees to cooperate fully with the City and to take all action necessary to effect the substitution of the City for the Corporation in any such action or proceeding if the City shall so request.

The obligation of the City to pay Rentals and Additional Rentals is subject to the provisions of Section 3.2 hereof and does not constitute a general obligation or indebtedness of the City for which the City is obligated to levy or pledge any form of taxation, or for which the City has levied or pledged any form of taxation and shall not be construed to be a debt of the City for any purpose whatsoever or in contravention of any applicable constitutional, statutory or charter limitation or requirement, but in each Fiscal Year shall be payable solely from the amounts, if any, appropriated therefor out of the income and revenue provided for such year plus any unencumbered balances from previous years.

Section 4.4. Prepayment of Rentals. The City may at any time prepay all or any part of the Rentals provided for hereunder to the extent provided in the Indenture for redemption of the Bonds.

Section 4.5. Redemption of Bonds; Purchase of Bonds. The Trustee, on behalf of the Corporation, shall take all steps necessary and permitted under the applicable provisions of the Indenture for the redemption of Bonds upon receipt



by the Corporation and the Trustee of a written notice from the City, if notice of redemption is required by the Indenture:

- (a) specifying the principal amount of Bonds to be redeemed;
- (b) fixing the date of such redemption; and
- (c) giving directions to mail or publish notice of redemption as may be required by the Indenture.

Unless otherwise stated therein, such notice by the City shall be revocable by the City at any time prior to the time at which the Bonds are to be redeemed or are deemed to be paid in accordance with Article XIII of the Master Indenture.

The Trustee shall further, on behalf of the Corporation, take all steps necessary and permitted under the applicable provisions of the Indenture to purchase Bonds in the open market for application as provided in any Supplemental Indenture upon written instructions of the City.

## ARTICLE V THE PROJECT

Section 5.1. Disposition of Bond Proceeds. The proceeds of the sale of the Bonds shall be paid over to the Trustee for the account of the Corporation for disposition as provided in the Indenture.

Section 5.2. Construction of the Project. The City shall acquire (by lease or purchase, including condemnation) real and personal property, construct, equip and install furnishings and equipment for St. Louis Jail Facilities including the City Justice Center, all in accordance with the Plans and Specifications with respect to the City Justice Center, a copy of which shall be made available by the Trustee upon request. The City agrees that the aforesaid acquisition, construction, equipping and installation, will, with such changes and additions as may be made hereunder, result in a building suitable for use by the City. The City will cause the aforesaid acquisition, construction, equipping and installation, to be made in accordance with the Construction Contracts and such Plans and Specifications.

Section 5.3. Payment for Construction Costs of the Project. All Construction Costs of the Project to be paid for out of the proceeds of the Bonds shall be paid by the Trustee from the Project Fund, and the Corporation and the City hereby authorize and direct the Trustee to make such disbursements from the

Project Fund upon receipt by the Trustee of certificates signed by the City Representative and the Corporation Representative in the forms of the certificates attached hereto as Exhibit A. The sole obligation of the Corporation under this paragraph shall be to cause the Trustee to make such disbursements upon receipt of such certificates. The Trustee may conclusively rely on any such certificate and shall not be required to make any investigation in connection therewith.

Section 5.4. Payment for Equipment. The parties agree that certain furnishings and equipment will be necessary in the construction, improvement, completion and operation of certain components of the Project, and the City hereby agrees to purchase the same, but solely from the Project Fund, and the Corporation and the City hereby authorize and direct the Trustee to pay for, such items of equipment (and any installation costs thereof) with respect to the St. Louis Jail Facilities, solely from the Project Fund, upon receipt by the Trustee of a certificate signed by the City Representative and the Corporation Representative in the form of the certificate attached hereto as Exhibit A. The sole obligation of the Corporation under this section shall be to cause the Trustee to make such disbursements upon receipt of said certificates. The Trustee may conclusively rely on any such certificate and shall not be required to make any investigation in connection therewith.

Section 5.5. Payment of Other Costs of the Project. The Corporation agrees to pay for, but solely from the Project Fund, and the Corporation and the City hereby authorize and direct the Trustee to pay for, but solely from the Project Fund, all other Costs of the Project upon receipt by the Trustee of a certificate signed by a City Representative and the Corporation Representative in the form of the certificate attached hereto as Exhibit A. The sole obligation of the Corporation under this paragraph shall be to cause the Trustee to make such disbursements upon receipt of said certificates. The Trustee may conclusively rely on any such certificate and shall not be required to make any investigation in connection therewith.

Section 5.6. Deficiency of the Project Fund. In the event the aggregate amount of Costs exceeds the sum of the amount of funds in the Project Fund plus other moneys contributed by the City and available for construction of the Project, the Project shall be modified by the City pursuant to the provisions hereof to include only those components which can be completed with the aforesaid amounts; provided, that, if the Project Fund shall be insufficient to pay all Costs and to complete the Project, as it may be modified, free of liens, the City shall pay, but only from legally available funds, in cash, subject to the provisions of Section 3.2 and as Additional Rentals under Section 4.2, the full

amount of any such deficiency by making payments therefor directly to the supplier of materials and services as the same shall become due, and the City shall hold the Corporation harmless from any obligation to pay such deficiency; provided that the City's obligation to pay such deficiency shall be limited to its current budgeted appropriations for the Project and the City shall have no obligation to appropriate additional funds therefor.

Section 5.7. Establishment of Completion Date; Disposition of Remaining Moneys in the Project Fund. The Completion Date for the Project shall be evidenced to the Trustee by a certificate signed by the City Representative setting forth the Costs of the Project and stating that, except for amounts retained by the Trustee at the direction of the City Representative to pay any Costs of the Project not then due and payable, (i) the acquisition, construction, equipping and installation of such Project has been completed substantially in accordance with the Plans and Specifications with respect to the St. Louis Jail Facilities and all labor, services, materials and supplies used in such acquisition, construction, equipping and installation have been paid for and (ii) all other facilities necessary in connection with the Project have been acquired, constructed, equipped and installed in accordance with the Plans and Specifications therefor and all costs and expenses incurred in connection therewith have been paid. Notwithstanding the foregoing, such certificate shall state that it is given without prejudice to any rights against third parties which exist at the date of such certificate or which may subsequently come into being.

All amounts in the Project Fund after the Completion Date for the Project shall at the written direction of the Corporation be applied or deposited as provided in Section 506 of the Master Indenture. Any amounts deposited in the Bond Fund pursuant to said Section 506 of the Master Indenture shall be applied in accordance with the provisions of Section 603 of the Master Indenture.

## ARTICLE VI IMPOSITIONS

Section 6.1. Impositions. The City shall, subject to the provisions of Section 3.2 hereof, during the Lease Term, bear, pay and discharge, before the delinquency thereof, as Additional Rentals, all taxes and assessments, general and special, if any, which may be lawfully taxed, charged, levied, assessed or imposed upon or against or be payable for or in respect of the St. Louis Jail Facilities or the Corporation's or the City's interest in the St. Louis Jail Facilities or the income therefrom or Rentals and other amounts payable under this Lease Agreement, including any new taxes and assessments not of the kind enumerated above to the extent that the same are lawfully made, levied or assessed in lieu of or in

addition to taxes or assessments now customarily levied against real or personal property, and further including all water and sewer charges, assessments and other general governmental charges and impositions whatsoever, foreseen or unforeseen, which if not paid when due would impair the security of the Bonds or encumber the City's title to the St. Louis Jail Facilities (all of the foregoing being herein referred to as "Impositions").

Section 6.2. Contest of Impositions. The City shall have the right, in its own name or in the Corporation's name, to contest the validity or amount of any Imposition which the City is required to bear, pay and discharge pursuant to the terms of this Article VI by appropriate legal proceedings instituted at least 10 days before the Imposition which is being contested becomes delinquent and may permit the Imposition so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Corporation or the Trustee shall notify the City that, in the opinion of Counsel, by nonpayment of any such items the interest of the Corporation in the St. Louis Jail Facilities will be materially endangered or the St. Louis Jail Facilities or any part thereof will be subject to loss or forfeiture, in which event the City shall promptly pay such taxes, assessments or charges or provide the Corporation with full security against any loss which may result from nonpayment, in form satisfactory to the Corporation and the Trustee. The Corporation agrees to cooperate with the City in connection with any and all administrative or judicial proceedings related to Impositions. The City shall hold the Corporation harmless from any costs and expenses the Corporation may incur related to any of the above.

## ARTICLE VII INSURANCE; INDEMNIFICATION

Section 7.1. Liability Insurance; Indemnification. The City shall, under the City's customary insurance practice (which may include self-insurance subject to availability of appropriation therefor) or otherwise, take such measures as may be necessary to insure against liability for injuries to or disability or death of any person or damage to or loss of property arising out of or in any way relating to the condition or the operation of the St. Louis Jail Facilities or any part thereof during the term of the Lease Agreement. The net proceeds of all such self-insurance or other insurance shall be applied toward extinguishment or satisfaction of the liability with respect to which the insurance proceeds may be paid. It is understood that this insurance covers any and all liability of the City and its officers, employees and agents. The City agrees to indemnify the Corporation and the Trustee for any loss, damage or expense incurred, paid or suffered by them as a result of any suit or claim of a nature covered by such insurance, to the full extent permitted by State law.

Section 7.2. Property Insurance. The City shall, under the City's customary insurance practices (which may include self-insurance subject to availability of appropriation therefor) or otherwise, take such measures as may be necessary or appropriate in accordance with sound business practices to insure the St. Louis Jail Facilities to the extent insurable against loss included in all risk insurance policies then in use in the State. Any such insurance may be subject to reasonable deductibles. Any self-insurance program and the principal amount of Bonds Outstanding shall be established and maintained in accordance with the City's customary insurance practices.

Section 7.3. Other Matters Related to Insurance. Anything herein contained to the contrary notwithstanding, so long as the Credit Enhancement shall be in force and effect, such insurance shall be provided only through standard commercial insurance under policies and issued by insurers acceptable to the Credit Provider, having coverage limits in amounts not less than the Full Replacement Value of the St. Louis Jail Facilities; provided, however, the City may during any such period during which the Credit Enhancement shall be in force and effect self-insure for all or any part of the coverage required hereunder with the consent of the Credit Provider and notice to the rating agencies.

All insurance policies shall name the Corporation as its assignee as an insured or loss payee. Insurance proceeds shall be payable to the City and the Corporation as their interests appear. No insurance policy may be cancelled or modified absent prior written notification of at least 30 days to the Corporation.

The net proceeds of any such insurance, whether from the City's self-insurance program or otherwise, shall be applied as provided in Article XI hereof.

## ARTICLE VIII

### ASSIGNMENT, SUBLEASING AND MORTGAGING

Section 8.1. Assignment, etc. by the Corporation. Pursuant to the Granting Clauses of the Master Indenture, the Corporation is concurrently assigning this Lease Agreement and all rights and interests of the Corporation hereunder, including pledging and granting a security interest in all moneys receivable hereunder (except for payments under Sections 4.2(f), (g), (h) and (i) hereof and its rights to indemnification hereunder) and in the St. Louis Jail Facilities to the Trustee as security for payment of the principal of, premium, if any, and interest on the Bonds. The City consents to assignment of this Lease Agreement and the Rentals and such Additional Rentals receivable hereunder and hereby agrees that, subject to Section 3.2, as to the Trustee, its obligation to

make such payments shall be absolute and unconditional and without any defense or right of abatement, diminution, counterclaim or set-off arising out of any breach by the Corporation or the Trustee of any obligation to the City.

Section 8.2. Assignment, Subleasing and Licensing by the City. This Lease Agreement may not be assigned by the City without the written consent of the Corporation. However, the St. Louis Jail Facilities or any part thereof may be subleased by the City, in whole or in part, without the consent of the Corporation, subject, however, to each of the following conditions:

(a) This Lease Agreement and the obligation of the City to pay Rentals and Additional Rentals hereunder and to perform all of the terms, covenants and conditions of this Lease Agreement and of any other security document to which it shall be a party shall remain obligations of the City and any assignee or transferee or sublessee of the City shall have assumed in writing and have agreed to keep and perform all of the terms of this Lease Agreement on the part of the City to be kept and performed and shall be jointly and severally liable with the City for the performance thereof, and shall be subject to service of process in the State, and, if a corporation, shall be qualified to do business in the State, and in the opinion of Counsel, such assignment or transfer or sublease shall not legally impair in any respect the obligations of the City for the payment of all Rentals nor for the full performance of all of the terms, covenants and conditions of this Lease Agreement or of any other security document to which the City is a part, nor impair or limit in any respect the obligations of any obligor under any other security documents.

(b) The City shall within ten (10) days after the delivery thereof, furnish or cause to be furnished to the Corporation, the Credit Provider, if any, and the Trustee a true and complete copy of such sublease.

(c) No sublease by the City shall cause the St. Louis Jail Facilities or any portion thereof being subleased to be used for a purpose other than a governmental or proprietary function authorized under the provisions of the Constitution and laws of the State of Missouri and the Charter of the City.

(d) Before entering into any sublease, the City shall obtain and file with the Trustee and the Corporation an opinion from Bond Counsel to the effect that the sublease will not cause the interest on the Bonds to become subject to Federal or Missouri income taxes.

The City may grant licenses to use all or any portion of the St. Louis Jail Facilities in the normal course of business without the consent of the

Corporation.

## ARTICLE IX MAINTENANCE, REPAIRS AND MODIFICATIONS

Section 9.1. Maintenance, Repairs and Modifications. The City shall, at its own expense, maintain, preserve and keep the St. Louis Jail Facilities in good repair and condition, and shall from time to time make all repairs, replacements and improvements necessary to keep the St. Louis Jail Facilities in such condition. The Corporation shall have no responsibility for any of these repairs, replacements or improvements. In addition, the City shall, at its own expense, have the right to make additions, modifications and improvements to the St. Louis Jail Facilities or any part thereof. Such additions, modifications and improvements shall not in any way damage the St. Louis Jail Facilities nor cause it to be used for purposes other than those authorized under the provisions of municipal, State and Federal law; and the St. Louis Jail Facilities upon completion of any additions, modifications and improvements made pursuant to this Section, shall be of a value which is not substantially less than the value thereof immediately prior to the making of such additions, modifications and improvements. Any property for which a substitution or replacement is made pursuant to this Section 9.1 may be disposed of by the City in such manner and on such terms as are determined by the City. The City will not permit any mechanic's or other lien to be established or remain against any part of the St. Louis Jail Facilities for labor or materials furnished in connection with any remodeling, additions, modifications, improvements, repairs, renewals or replacements made by the City pursuant to this Section 9.1; provided, that, if any such lien is established and the City shall first notify the Corporation of the City's intention to do so, the City may in good faith contest any lien filed or established against the St. Louis Jail Facilities and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom unless the Corporation shall notify the City that, in the opinion of Counsel, by nonpayment of any such item the interest of the Corporation in the St. Louis Jail Facilities will be materially endangered or the St. Louis Jail Facilities or any part thereof will be subject to loss or forfeiture, in which event the City shall promptly pay and cause to be satisfied and discharged all such unpaid items or provide the Corporation with full security against any such loss or forfeiture, in form satisfactory to the Corporation. The Corporation will cooperate fully with the City in any such contest, upon request and at the expense of the City.

Section 9.2. Liens. The City shall not, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the St. Louis Jail Facilities or any part thereof (except for Permitted Encumbrances), other than the respective rights of the Corporation and the City as provided herein and in the Base Lease. The City shall have the right in its own name or in the Corporation's name to contest the validity or amount of any lien which the City is required to discharge and may permit the lien so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Corporation or the Trustee shall notify the City that, in the opinion of Counsel, by nonpayment of any such items the interest of the Corporation in the St. Louis Jail Facilities will be materially endangered or the St. Louis Jail Facilities or any part thereof will be subject to loss or forfeiture in which event the City shall promptly discharge such lien. Except as expressly provided in this Article, the City shall promptly, at its own expense, take such action as may be necessary to duly discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim if the same shall arise at any time. The City shall reimburse the Corporation for any expense incurred by it in order to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim.

## ARTICLE X

### CITY'S OPTION TO PURCHASE CORPORATION'S INTEREST

Section 10.1. City's Option to Purchase Corporation's Interest. (a) The City shall have the option to purchase the Corporation's leasehold interest in the St. Louis Jail Facilities and to terminate the Base Lease and this Lease Agreement at any time during the Base Lease Term (subject to the requirements of the following provisions of this subparagraph

(a)) upon payment of the principal, interest and redemption premium, if any, on the Bonds or providing funds for the Corporation to make provision for their payment pursuant to Article XIII of the Master Indenture and the payment of all Additional Rentals. Except as otherwise provided in this Section 10.1, the City shall give at least sixty (60) days written notice to the Corporation and to the Trustee of its intent to exercise the option and so terminate this Lease Agreement. Payment of the final Rentals and Additional Rentals shall constitute exercise of the option granted hereunder without further action by the City.

(b) If the City receives notice of an Event of Default pursuant to subparagraph (a) or (b) of Section 901 of the Master Indenture, the City shall also have the option to purchase the Corporation's leasehold interest in the St. Louis Jail



Facilities under the Base Lease and to terminate this Lease Agreement upon payment of the Bonds or providing funds for the Corporation to make provision for their payment pursuant to Article XIII of the Master Indenture and the payment of all Additional Rentals. The City shall give notice of its intent to exercise the option provided for by this subparagraph (b) by giving notice thereof to the Corporation and the Trustee not later than 90 days after receipt of notice of any such Event of Default. The City shall make the payment provided for in this subparagraph (b) not later than 90 days after it has given notice of its intent to exercise this option to the Corporation and the Trustee.

## ARTICLE XI

### DAMAGE, DESTRUCTION AND CONDEMNATION; USE OF NET PROCEEDS

Section 11.1. Damage, Destruction and Condemnation. Unless the City shall have exercised its option to purchase the Corporation's interest under the Base Lease and terminate this Lease Agreement as provided in Article X hereof, if (i) all the St. Louis Jail Facilities are destroyed or are damaged by fire or other casualty or notwithstanding the foregoing, such purchase should not occur after the Trustee has rented the premises prior to such purchase or (ii) title to or the temporary use of the St. Louis Jail Facilities or the interest of the City or the Corporation in the St. Louis Jail Facilities shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority, the City shall, subject to the provisions of the following paragraph, cause the net proceeds of any insurance or condemnation award to be applied to the prompt repair, restoration, modification or improvement of the St. Louis Jail Facilities by the City free of liens other than Permitted Encumbrances. Any balance of the net proceeds remaining after such work has been completed for the St. Louis Jail Facilities shall, unless all of the Project has been completed, be transferred to the Project Fund and at the completion of the St. Louis Jail Facilities, such funds shall be applied as provided in Section 506 of the Master Indenture. If the Project has been completed, any net proceeds remaining after such work has been completed shall be deposited in the Bond Fund and used in accordance with Section 603 of the Master Indenture.

If the City determines that the repair, restoration, modification or improvement of the St. Louis Jail Facilities is not economically feasible or in the best interest of the City, then, in lieu of making such repair, restoration, modification or improvement, the City shall make provision for the redemption of Outstanding Bonds in an amount equal to the net proceeds of any such insurance or condemnation award rounded to the nearest Authorized Denomination, any

such net proceeds shall be applied by the City to the payment of the Outstanding Bonds called for redemption and shall pay the fees and expenses of the Corporation and the Trustee, together with all other amounts due under the Indenture and under this Lease Agreement, and all amounts required to be rebated to the Federal government pursuant to the Indenture or the Non-Arbitrage Certificate.

Section 11.2. Insufficiency of Net Proceeds. If the net proceeds are insufficient to pay in full the cost of any repair, restoration, modification or improvement of the St. Louis Jail Facilities in accordance with Section 11.1 hereof, subject to appropriation of sufficient funds, the City shall complete the work and pay any cost in excess of the amount of the net proceeds, and the City agrees that if by reason of any such insufficiency of the net proceeds, the City shall make any payments pursuant to the provisions in this Section 11.2 hereof, the City shall not be entitled to any reimbursement therefor from the Corporation or any diminution of any amount payable hereunder.

Section 11.3. Cooperation of the Corporation. The Corporation shall cooperate fully with the City at the expense of the City in filing any proof of loss with respect to any insurance policy covering the events described in Section 11.1 and in the prosecution or defense of any prospective or pending condemnation proceeding with respect to the St. Louis Jail Facilities or any part thereof and will, to the extent it may lawfully do so, permit the City to litigate in any proceeding resulting therefrom in the name of and on behalf of the Corporation. In no event will the Corporation voluntarily settle, or consent to the settlement of, any proceedings arising out of any insurance claim or any prospective or pending condemnation proceeding with respect to the St. Louis Jail Facilities or any part thereof without the written consent of the City.

Section 11.4. Event of Non-Appropriation. If an Event of Non-Appropriation shall occur and be continuing, upon receipt of a certificate from a City Representative which states that the City has not appropriated the funds required to be appropriated by the City, or upon receipt of other notice of the occurrence of any Event of Non-Appropriation with respect to the City, the Trustee shall immediately notify the Corporation of such occurrence.

If an Event of Non-Appropriation shall occur, the City shall not be obligated to make payment of the Rentals or Additional Rentals provided for herein beyond the last day of the Fiscal Year during which such Event of Non-Appropriation occurs, except for the City's obligation to make payments which are payable prior to the termination of this Lease Agreement; provided, however, that the City shall continue to be liable for the amounts payable during such time when

the City continues to occupy the St. Louis Jail Facilities. The Trustee shall, upon the occurrence of an Event of Non-Appropriation, have all rights and remedies granted to it under the Indenture and as a secured creditor under Missouri law, as trustee for the benefit of Holders of the Bonds, and shall be further entitled to all monies then on hand in all funds and accounts created under the Indenture. All property, funds and rights acquired by the Trustee upon the termination of this Lease Agreement as to the City's possessory interest hereunder by reason of an Event of Non-Appropriation as provided herein shall be held by the Trustee under the Indenture for the benefit of the holders of the Bonds as set forth in the Indenture until the Bonds are paid in full.

The parties hereto agree that, upon the occurrence of an Event of Non-Appropriation, the Lessee shall immediately quit and vacate the St. Louis Jail Facilities upon termination of the then current term of this Lease Agreement.

Section 11.5. Non-Substitution Covenant. The City covenants and agrees that, to the extent permitted by law, if an Event of Default described in Article XII hereof occurs with respect to the City, the City will not construct, own or operate any jail facility not in existence at the time such Event of Default occurs during the sixty (60) day period subsequent to such Event of Default. The provisions of this paragraph shall survive the termination of this Lease Agreement as a result of an Event of Default and shall remain in effect and be binding upon the City.

Section 11.6. Termination of Lease Term. The Lease Term shall terminate as to the City, including the City's right to possession of the St. Louis Jail Facilities pursuant to Section 3.2 hereof, upon the earliest of the occurrence of any of the following events: (i) the last day of the then current Fiscal Year of the City during which there occurs an Event of Non-Appropriation with respect to the City; (ii) there occurs an Event of Default by the City under this Lease Agreement if the Corporation or the Trustee elects such remedy pursuant to the Section 12.2; (iii) the date upon which all Rentals and Additional Rentals, as the case may be, required under this Lease Agreement shall be paid by the City, or (iv) discharge of the Indenture as provided in Article XIII of the Master Indenture.

Section 11.7. Remedies Regarding City Defaults. Upon the occurrence of an Event of Default by the City pursuant to this Lease Agreement or the Base Lease, resulting in an Event of Default on the Bonds pursuant to the Indenture, the City shall have the exclusive right to purchase from the Corporation the leasehold interest in the St. Louis Jail Facilities, or any part thereof for a period

of 90 days from the date of such default for the amount of the principal on the Bonds then Outstanding plus accrued interest to such date of default. Notwithstanding the foregoing, the Corporation and the Trustee may also exercise the remedies set forth in Section 12.2 herein. Notwithstanding anything herein to the contrary, the Trustee shall be entitled to sublease the St. Louis Jail Facilities, or any part thereof to any entity, public or private, for such period as is necessary for the Trustee to obtain sufficient monies to pay in full the principal of, redemption, premium if any, and interest on the Bonds, and the obligations of the Trustee with respect to the Bondholders and the receipt and disbursement of funds shall be continuing until the lien of the Indenture is discharged as provided in the Master Indenture.

## ARTICLE XII DEFAULT PROVISIONS

Section 12.1. Events of Default Defined. The following shall be "Events of Default" under this Lease Agreement and the terms "Events of Default" and "Default" shall mean, whenever they are used in this Lease Agreement, any one or more of the following events:

- (a) Failure by the City to pay any Rentals or Additional Rentals in the amounts and at the times specified herein.
- (b) Failure by the City to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in clause (a) of this Section, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied has been given to the City by the Corporation or the Trustee, unless the Trustee shall agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, the Trustee will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the City within the applicable period and diligently pursued until the default is corrected.
- (c) The filing by the City of a voluntary petition in bankruptcy, or failure by the City promptly to lift any execution, garnishment or attachment of such consequence as would impair the ability of the City to carry on its operation, or adjudication of the City as a bankrupt, or assignment by the City for the benefit of creditors, or the entry by the City into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to the City in any proceedings whether voluntary or involuntary

instituted under the provisions of the Federal bankruptcy laws, as amended, or under any similar acts which may hereafter be enacted.

(d) Failure by the Lessee to vacate the St. Louis Jail Facilities by the expiration of the current Fiscal Year during which an Event of Non-Appropriation occurs.

The provisions of this Section are subject to the following limitations: if by reason of force majeure the City is unable in whole or in part to carry out its obligations under this Lease Agreement, other than its obligation to pay Rentals or Additional Rentals with respect thereto, the City shall not be deemed in default under the continuance of such inability, provided notice thereof is given to the Corporation and the Trustee. The term "force majeure" as used herein shall mean, without limitation, the following acts of God: strikes, lockouts or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States of America or the State of Missouri or their respective departments, agencies or officials, or any civil or military authority; insurrections; riots; landslides; earthquakes; fires; storms; droughts; floods; explosions; breakage or accident to machinery, transmission pipes or canals; or any other cause or event not reasonably within the control of the City and not resulting from its negligence. The City agrees, however, to remedy with all reasonable dispatch the cause or causes preventing the City from carrying out its agreement; provided that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the City and the City shall not be required to make settlement of strikes, lockouts and other industrial disturbances by acceding to the demands of the opposing party or parties when such course is in the judgment of the City unfavorable to the City.

Section 12.2. Remedies on Default. Whenever any Event of Default referred to in Section 12.1 shall have happened and be continuing, the Corporation or the Trustee shall have the right, at its option and without any further demand or notice, to take any one or more of the following remedial steps:

(a) By written notice to the City declare all Rentals and Additional Rentals for the Fiscal Year in which the Event of Default occurred to be immediately due and payable and such Rentals and Additional Rentals shall thereupon become immediately due and payable; or

(b) With or without terminating this Lease Agreement take possession of the St. Louis Jail Facilities, in which event the City shall vacate the St. Louis Jail Facilities and take all actions necessary to authorize, execute and deliver to the Corporation all documents necessary to vest in the Corporation for the

remainder of the Lease Term, all of the City's interest in and to the St. Louis Jail Facilities, sell the Corporation's (or its assignee's) interest in the Base Lease, or lease the St. Louis Jail Facilities and collect the rentals therefor, for all or any portion of the remainder of its leasehold term upon such terms and conditions as it may deem satisfactory in its sole discretion with the City remaining liable, subject to the provisions of Section 3.2 hereof, for the difference between (i) the Rentals and Additional Rentals payable by the City hereunder during the Lease Term and (ii) the net proceeds or any purchase price, rents or other amounts paid by the new purchaser, lessee or sublessee of the St. Louis Jail Facilities, and, provided further, that, in such event, if the Corporation shall receive a payment for sale of its interest or total sub-rentals for sublease that are, after payment of the Corporation's expenses in connection therewith, in excess of the purchase price applicable under Section 10.1 hereof at the time of default plus interest thereon at the interest rate per annum borne by the Bonds, then such excess shall be paid to the City either by the Corporation, its assigns, or by its sublessee; or

(c) Take whatever action at law or in equity may appear necessary or desirable to collect the Rentals and Additional Rentals then due and thereafter to become due during the Lease Term or enforce performance and observance of any obligation, agreement or covenant of the City under this Lease Agreement.

(d) Upon the occurrence and continuance of any Event of Non-Appropriation, the Trustee as provided in the Indenture shall give notice to the City to vacate the St. Louis Jail Facilities immediately (but in no event earlier than the expiration of the then current Fiscal Year for which the Lessee has paid or appropriated monies sufficient to pay all Rentals and Additional Rentals due for such Fiscal Year) and shall, without any further demand or notice, (i) terminate this Lease Agreement, re-enter the St. Louis Jail Facilities and eject all parties in possession thereof therefrom, and sublease the St. Louis Jail Facilities or (ii) take any action at law or in equity deemed necessary or desirable to enforce its rights with respect to the St. Louis Jail Facilities.

Section 12.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Corporation or the Trustee is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Corporation or the Trustee to exercise any remedy reserved to it in this Article XII it shall not be

necessary to give any notice, other than such notice as may be required in this Article XII or by law.

Section 12.4. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Lease Agreement shall be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

## ARTICLE XIII

### NOTICES; CONSENTS NOT TO BE UNNECESSARILY WITHHELD

Section 13.1. Notices. All notices required or desired to be given hereunder shall be in writing, and all such notices and other written documents required or desired to be given hereunder shall be deemed duly served and delivered for all purposes upon the Corporation, the City and the Trustee if given in the manner and to the addresses specified in the Indenture.

Section 13.2. The Corporation Shall Not Unreasonably Withhold Consents and Approvals. Wherever in this Lease Agreement it is provided that the Corporation shall, may or must give its approval or consent, or execute supplemental agreements or schedules, the Corporation shall not unreasonably, arbitrarily or unnecessarily withhold or refuse to give such approvals or consents or refuse to execute such supplemental agreements or schedules.

## ARTICLE XIV

### AMENDMENTS, CHANGES AND MODIFICATIONS

Section 14.1. Amendments. Except as otherwise provided in this Lease Agreement or in the Indenture, subsequent to the issuance of Bonds and prior to all of the Bonds being paid in accordance with the Indenture and provision being made for the payment of all sums payable under the Indenture in accordance with Article XIII thereof, this Lease Agreement may not be effectively amended, changed, modified, altered or terminated without the concurring written consent of the Trustee, given in accordance with the provisions of the Indenture.

## ARTICLE XV

### NET LEASE

Section 15.1. Net Lease. The parties hereto agree (a) that this Lease Agreement is intended to be a net lease, (b) that the payments of Rentals and Additional

Rentals are designed to provide the Corporation and the Trustee funds adequate in amount to pay all principal of and interest and any redemption premiums accruing on the Bonds as the same become due and payable, (c) that to the extent that the payments of Rentals and Additional Rentals are not sufficient to provide the Corporation and the Trustee with funds sufficient for the purposes aforesaid, the City, subject to the provisions of Section 3.2 hereof, shall be obligated to pay, and it does hereby covenant and agree to pay, upon demand therefor, as Additional Rentals, such further sums of money, in cash, as may from time to time be required for such purposes, and (d) that if, after all of the Bonds are deemed to be paid in accordance with Article XIII of the Master Indenture and provision has been made for payment of all other sums payable under the Master Indenture in accordance with Article XIII thereof, the Trustee or the Corporation holds unexpended funds received in accordance with the terms hereof, such unexpended funds shall, after payment therefrom of all sums then due and owing by the City under the terms of this Lease Agreement, and except as otherwise provided in this Lease Agreement and the Indenture, become the absolute property of and be paid over forthwith to the City.

Section 15.2. No General Liability. No provision, covenant or agreement contained in this Lease Agreement or in the Indenture, the Bonds, or any obligation herein or therein imposed upon the Corporation or the City, or the breach thereof, shall constitute or give rise to or impose upon the Corporation or the City a general liability or a charge upon the general credit or taxing powers of the City.

## ARTICLE XVI MISCELLANEOUS

Section 16.1. Merger, Consolidation, Transfer of Assets, etc. It is the intention of the parties that the Base Lease and this Lease Agreement will not be deemed merged with the effect that the specific grant of property interests, payment terms or any other terms of this Lease Agreement or the Base Lease are unenforceable or in any way mitigated in force and effect.

As long as any of the Bonds remain Outstanding and unpaid, or until provision for the payment thereof has been made as provided in Article XIII of the Master Indenture, the Corporation will maintain its corporate existence and will not dissolve or otherwise dispose of all or a major portion of its assets without the approval of the City and the Trustee. The Corporation will not consolidate with or merge into another corporation or permit one or more other corporations to consolidate with or merge into it except that the Corporation may, without violating the foregoing, consolidate with or merge into another



nonprofit corporation organized under the laws of the State or permit one or more other such corporations to consolidate with or merge into it, if the following requirements are complied with and there has been delivered to the City and to the Trustee sufficient evidence showing that there has been such compliance:

- (a) The surviving or resulting corporation, as the case may be, has expressly assumed in writing all of the obligations, covenants and agreements of the Corporation contained in the Bonds, the Base Lease, this Lease Agreement, the Indenture, and any other instruments of security given by the Corporation to secure any of its obligations;
- (b) The lien created by the Indenture will not be adversely affected thereby;
- (c) The Corporation has obtained an opinion of Bond Counsel that the corporate action referred to does not cause the interest on the Bonds then Outstanding to become includable in gross income for purposes of Federal or Missouri income tax purposes; and
- (d) As a result of the transaction, the surviving or resulting corporation is not in default under this Lease Agreement, the Base Lease, the Indenture, the Bonds or any other instrument of security securing the obligations of the Corporation.

Section 16.2. Maintenance of Tax Exemption. Neither the City nor the Corporation shall take any action or fail to take any action which action or failure would cause the interest on the Bonds to be includable in gross income for Federal or Missouri income tax purposes. The Corporation further covenants that, so long as the Bonds remain Outstanding, it will, to the best of its ability, maintain its status as an organization exempt from taxation.

The City and the Corporation will comply with all applicable provisions of the Code, including Section 103 and Section 148 thereof and the regulations of the Treasury Department thereunder, from time to time proposed or in effect, in order to maintain the exclusion of interest on the Bonds from gross income for purposes of Federal and Missouri income taxation. To this end the City covenants and agrees that throughout the Lease Term it will operate the St. Louis Jail Facilities solely for local governmental purposes and at no time shall the City allow in excess of five percent (5%) of the St. Louis Jail Facilities to be used in the trade or business of a non-governmental person within the meaning of the Code.

The City and the Corporation covenant and agree that they will use the proceeds of the Bonds as soon as practicable and with all reasonable dispatch for the purpose for which the Bonds are issued as hereinbefore set forth, and that no part of the proceeds of the Bonds shall be invested in any securities, obligations or other investments except for the temporary period pending such use nor used, at any time, directly or indirectly, in a manner which, if such use had been reasonably anticipated on the date of issuance of the Bonds, would have caused any of the Bonds to be or become "arbitrage bonds" within the meaning of Section 103(b)(2) or Section 148 of the Code and the regulations of the Treasury Department thereunder proposed or in effect at the time of such use and applicable to obligations issued on the date of issuance of the Bonds.

The representations, warranties, covenants and statements of expectation of the City set forth in the Non-Arbitrage Certificate are by this reference incorporated in this Lease Agreement as though fully set forth herein.

Section 16.3. Access to Premises. The City agrees that the Corporation and any Corporation Representative shall have the right at all reasonable times to enter upon and to examine and inspect the St. Louis Jail Facilities. The City further agrees that the Corporation and any Corporation Representative shall have such rights to access to the St. Louis Jail Facilities as may be reasonably necessary to cause the proper maintenance of the St. Louis Jail Facilities in the event of failure by the City to perform its obligations hereunder.

Section 16.4. City's Financial Reports; City to Take Further Action, etc.; Additional Covenants of the City. So long as any of the Bonds are Outstanding, the City shall deliver to the Trustee, as soon as available, a copy of the City's annual audited financial statements. Such audited financial statements will include the financial transactions of the Corporation in accordance with generally accepted accounting principles.

The Corporation also covenants and agrees that upon payment of all the Rentals and Additional Rentals and the exercise of the option granted in Section 10.1 hereof, the Corporation and its officers shall take all actions necessary to authorize, execute and deliver to the City any documents which may be necessary to vest in the City all of the Corporation's interest in and to the St. Louis Jail Facilities, including, if necessary, a release of any and all liens created under the provisions of this Lease Agreement or otherwise by the Corporation. The Corporation agrees to defend or eliminate any claims adverse to such interest arising out of an Event of Default occurring after receipt by the Corporation of its leasehold interest in the St. Louis Jail Facilities; provided

that the Corporation's obligations under this provision shall not extend to claims arising out of actions by the City or persons asserting claims under it.

Section 16.5. Covenants of the City with Respect to Transfers. As long as any of the Bonds remain Outstanding and unpaid or provision for the payment of the same made in accordance with the provisions of Article XIII of the Master Indenture, the City will not convey or transfer any interest in the St. Louis Jail Facilities or any part thereof other than to the Corporation.

Section 16.6. Amounts Remaining in the Bond Fund or the Project Fund. It is agreed by the parties hereto that any amounts remaining in the Bond Fund or the Project Fund upon the expiration or sooner termination of the Lease Term, after payment in full of the Bonds (or provision for payment thereof having been made in accordance with the provisions of Article XIII of the Master Indenture), the reasonable fees, charges and expenses of Trustee and the Corporation in accordance with the Indenture and all other amounts required to be paid under the Base Lease, this Lease Agreement and the Indenture, shall belong to and shall be paid to the City by the Trustee as overpayment of Rentals and Additional Rentals.

Section 16.7. Amendments, Changes and Modifications. This Lease Agreement may not be amended, changed, modified, altered or terminated, except as provided in Article XII of the Master Indenture.

Section 16.8. Ongoing Disclosure. The City covenants and agrees to enter into a Continuing Disclosure Agreement for the benefit of the Bondholders or similar undertaking intended to satisfy the ongoing disclosure requirements of the Securities and Exchange Commission Rule 15c2-12.

Section 16.9. Waiver of Sovereign Immunity. For purposes of Section 805 of the Master Indenture, to the extent permitted by law, the City hereby waives the right to sovereign immunity or any other similar defense with respect to the enforcement of remedies pursuant to Section 12.2 herein.

Section 16.10. Construction and Enforcement. This Lease Agreement shall be construed and enforced in accordance with the laws of Missouri. Wherever in this Lease Agreement it is provided that either party shall or will make any payment or perform or refrain from performing any act or obligation, each such provision shall, even though not so expressed, be construed as an express covenant to make such payment or to perform, or not to perform, as the case may be, such act or obligation.

Section 16.11. Severability. In the event any provision hereof shall be determined to be invalid or unenforceable, the validity and effect of the other provisions hereof shall not be affected thereby.

Section 16.12. Binding Effect. This Lease Agreement shall inure to the benefit of and shall be binding upon the Corporation and the City and their respective successors and assigns.

Section 16.13. Section and Article Headings. The Section and Article headings and the table of contents herein are for convenience only and in no way define, limit or describe the scope or intent of any of the provisions hereof.

Section 16.14. Execution of Counterparts. This Lease Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed to be an original, and all of which together shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed these presents the day and year first above written.

(SEAL)  
ST. LOUIS MUNICIPAL FINANCE  
CORPORATION, as Lessor

By: \_\_\_\_\_  
President  
ATTEST:

\_\_\_\_\_  
Secretary

CITY OF ST. LOUIS, MISSOURI,  
as Lessee

By: \_\_\_\_\_  
Freeman R. Bosley, Jr.  
(SEAL) Mayor

By: \_\_\_\_\_  
Darlene Green  
Comptroller

ATTEST:

\_\_\_\_\_  
Register

APPROVED AS TO FORM:

By: \_\_\_\_\_  
City Counselor

STATE OF MISSOURI )  
) ss  
CITY OF ST. LOUIS )

On this \_\_\_\_ day of August, 1996, before me the undersigned, a Notary Public, appeared [\_\_\_\_], to me personally known, who, being by me duly sworn, did say that [s]he is the President of ST. LOUIS MUNICIPAL FINANCE CORPORATION, a Missouri nonprofit corporation, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said officer acknowledged said instrument to be executed for the purposes therein stated and as the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year last above written.

\_\_\_\_\_  
Notary Public - State of Missouri  
Commissioned in St. Louis City

My commission expires: \_\_\_\_\_.

STATE OF MISSOURI )  
) ss  
CITY OF ST. LOUIS )

On this \_\_\_\_ day of August, 1996, before me, the undersigned, a Notary Public, appeared Freeman R. Bosley, Jr. to me personally known, who, being by me duly sworn, did say that he is the Mayor of the CITY OF ST. LOUIS, MISSOURI, a municipal corporation and that the seal affixed to the foregoing instrument is the corporate seal of said City, and that said instrument was

signed and sealed on behalf of said City by authority of its City Council, and said Mayor acknowledged said instrument to be executed for the purposes therein stated and as the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year last above written.

---

Notary Public - State of Missouri  
Commissioned in St. Louis City

My commission expires: \_\_\_\_\_.

STATE OF MISSOURI )

) ss

CITY OF ST. LOUIS )

On this \_\_\_\_ day of August, 1996, before me, the undersigned, a Notary Public, appeared Darlene Green to me personally known, who, being by me duly sworn, did say that she is Comptroller of the CITY OF ST. LOUIS, MISSOURI, a municipal corporation and that the seal affixed to the foregoing instrument is the corporate seal of said City, and that said instrument was signed and sealed on behalf of said City by authority of its City Council, and said Comptroller acknowledged said instrument to be executed for the purposes therein stated and as the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year last above written.

---

Notary Public - State of Missouri  
Commissioned in St. Louis City

My commission expires: \_\_\_\_\_.

## SCHEDULE I

SCHEDULE I TO BASE LEASE DATED AS OF THE DATED DATE,  
BETWEEN THE CITY OF ST. LOUIS, MISSOURI, AND ST. LOUIS  
MUNICIPAL FINANCE CORPORATION, TO LEASE PURCHASE  
AGREEMENT DATED AS OF THE DATED DATE, BETWEEN ST. LOUIS  
MUNICIPAL FINANCE CORPORATION AND THE CITY OF ST. LOUIS,

MISSOURI, AND THE FIRST SUPPLEMENTAL INDENTURE OF TRUST  
DATED AS OF THE DATED DATE, BETWEEN ST. LOUIS MUNICIPAL  
FINANCE CORPORATION AND MARK TWAIN BANK, AS TRUSTEE

The following-described real estate situated in the City of St. Louis, Missouri:

Tract I

A parcel of land in City Block 4222 E being a part of Merchants Park  
Subdivision in the Thatcher tract described as follows:

The point of beginning being the intersection of the southern line of Thatcher Avenue (sixty feet wide), and eastern line of St. Louis Water Works conduit R/W (forty feet wide), thence along the eastern line of said R/W in a southerly direction a (1160.73') to the northern line of Calvary Avenue (sixty feet wide); thence in an easterly direction along the northern line of Calvary Avenue (sixty feet wide) a distance of one hundred forty-six and seventy-five hundredths feet (146.75') to a point; thence in a southerly direction a distance of thirty feet (30') to the northern line of Calvary Avenue (thirty feet wide) in an easterly direction a distance of nine hundred fifty-three and nine hundredths feet (943.09') to a point; thence northerly along a line perpendicularly distant eleven hundred feet (1100') and parallel to the eastern line of the City of St. Louis Water Works conduit R/W forty feet wide, a distance of eleven hundred ninety-three and forty-five hundredths feet (1193.45') to the southern line of Thatcher Avenue (sixty feet wide) thence along southern line of Thatcher Avenue (sixty feet wide) a distance of eleven hundred feet (1100') to the point of beginning, excepting therefrom that part dedicated to public use by plat recorded in Plat Book 35 Page 25.

Tract II

Lots 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, and 53 of the Henry Chouteau Estate and in Block 206 South of the City of St. Louis and more or less bounded North by the South line of Walnut St., South by the North line of the East and West alley in said City Block 206 South; West by the East line of Tucker (formerly 12th Street Blvd. and East by the West line of Eleventh Street.

EXHIBIT A TO Lease Agreement, DATED AS OF THE DATED DATE,  
BETWEEN ST. LOUIS MUNICIPAL FINANCE CORPORATION AND THE  
CITY OF ST. LOUIS, MISSOURI

Request No. \_\_\_\_\_ Date: \_\_\_\_\_

WRITTEN REQUEST FOR DISBURSEMENT FROM LEASEHOLD  
REVENUE BONDS PROJECT FUND

To: Mark Twain Bank  
8820 Ladue Road  
Ladue, Missouri 63124  
Gentlemen:

Pursuant to Sections 5.3, 5.4 or 5.5 of the Lease Agreement, dated as the Dated Date (the "Lease Agreement"), between St. Louis Municipal Finance Corporation and the City of St. Louis, Missouri (the "City"), the City hereby requests payment from the Construction Account in the Project Fund in accordance with this request and said Section 5.3 and hereby states and certifies that (a) all terms in this request are used with the meanings used in the Lease Agreement, (b) the names of the persons, firms or corporations to whom the payments requested hereby are due, the amounts to be paid and a brief description of the necessary and appropriate work performed on necessary and appropriate materials furnished for which each obligation hereby requested to be paid was incurred are as set forth on Attachment I hereto, (c) the amounts requested either have been paid by the City, or are justly due to contractors, subcontractors, materialmen, engineers, architects or other persons (whose names and addresses are stated on Attachment I hereto) who have performed necessary and appropriate work or furnished necessary and appropriate materials in the acquisition and construction of the Project, and are proper charges against said Fund and Account and (d) no part thereof has been or is being made the basis for the withdrawal of any moneys in any previous or pending request filed with the Trustee under the Lease Agreement, and (e) invoices, statements, vouchers or bills for the amounts requested are attached hereto, and (f) the Cost represented by said invoices, statements, vouchers and bills constitute Construction Costs as defined by the Lease Agreement.

ST. LOUIS MUNICIPAL FINANCE CITY OF ST. LOUIS, MISSOURI,  
CORPORATION as Agent

By: \_\_\_\_\_ By: \_\_\_\_\_  
Corporation Representative City Representative

EXHIBIT E



# PLEDGE AGREEMENT

between

THE CITY OF ST. LOUIS, MISSOURI

and

MARK TWAIN BANK

ST. LOUIS, MISSOURI

AS TRUSTEE

DATED AS OF AUGUST 1, 1996

THIS PLEDGE AGREEMENT, dated as of the Dated Date (as defined in the Indenture) is made by THE CITY OF ST. LOUIS, MISSOURI, a constitutional charter city (the "City"), to MARK TWAIN BANK (the "Trustee"), a Missouri banking corporation as trustee under that certain Indenture of Trust and that certain First Supplemental Indenture of Trust both dated as of the Dated Date (collectively, the "Indenture") both between the Trustee and St. Louis Municipal Finance Corporation (the "Corporation") and if necessary, any bank or similar institution providing Credit Enhancement.

## PRELIMINARY STATEMENTS:

(1) Pursuant to Section 221.105 of Missouri Revised Statutes (the "Statute"), the City is entitled to receive from time to time certain payments of monies constituting per diem reimbursements for costs of boarding State prisoners chargeable and billed to the State and credited and payable to the City (the "Pledged Revenues").

(2) Pursuant to the Indenture, the Corporation has agreed to issue its City Justice Center Leasehold Revenue Improvement Bonds, Series 1996A and its City Justice Center Leasehold Revenue Improvement and Refunding Bonds, Series 1996B, in the aggregate principal amount not to exceed \$135,000,000 (collectively, the "Series 1996 Bonds"). The proceeds of the Bonds will be used for the acquisition (by lease or purchase, including condemnation) of real and personal property, construction, equipping and installing of furnishings and equipment for St. Louis Jail Facilities (as defined in the Indenture) including the City Justice Center, the funding of a debt service reserve fund, the funding

of capitalized interest during construction, the refunding of the Series 1992 Bonds (as defined in the Indenture) and the payment of costs of issuance of the Bonds including Credit Enhancement fees.

(3) Concurrently with the issuance and delivery of the Bonds, the City and the Corporation will enter into the Base Lease and the Lease Agreement for the use of the St. Louis Jail Facilities and the Corporation will pledge to the Trustee as security for the Bonds its interest in the Base Lease and the Lease Agreement and the revenues to be received by the Corporation thereunder.

(4) To induce the Corporation to issue the Bonds, the City has agreed to pledge the Pledged Revenues to the Trustee as additional security for the Bonds and has agreed to execute and deliver this Pledge Agreement.

NOW, THEREFORE, in consideration of the premises and in order to induce the Corporation to issue the Bonds, the City hereby agrees as follows:

Section 1. Definitions of Words and Terms. The words and terms used in this Pledge Agreement and not defined herein shall have the meanings as set forth in the Indenture, unless some other meaning is plainly intended.

Section 2. Pledge; Term. Subject to the terms and conditions hereinafter set forth, the City hereby pledges to the Trustee, and grants to the Trustee for the term stated herein a security interest in, all amounts to be received by the City from the State Reimbursements collected pursuant to the Statute as the same may be amended from time to time, or pursuant to any statute enacted in substitution therefor, beginning on August 1, 1996 and from time to time thereafter, including all past collections of the Pledged Revenues. This Pledge Agreement secures payment of the principal of, premium, if any, and interest on the Bonds and any Additional Bonds and if there shall be in effect a credit agreement with respect to Credit Enhancement or the Bonds or Additional Bonds (the "Credit Agreement"), any amounts due and owing to the Credit Provider, if any, under such Credit Agreement.

This Pledge Agreement shall remain in force and effect until the earlier of (i) the expiration date of the Base Lease or (ii) until payment in full of the principal of, premium, if any, and interest on the Bonds and any Additional Bonds, whereupon this Pledge Agreement and any amendment thereto shall terminate.

Section 3. Creation of Pledge Revenues Account. Pursuant to the First Supplemental Indenture, there has been created and ordered to be established in

the custody of the Trustee a separate and distinct account to be designated the "Pledged Revenue Account" in the Bond Fund (the "Pledged Revenue Account") to be administered as herein provided. Moneys held under the Pledged Revenue Account shall be invested solely in Permitted Investments as outlined in Section 702 of the Indenture and shall secure on a parity basis payment of the principal of, premium, if any, and interest on the Bonds and Additional Bonds and any amounts due and owing to any Credit Provider under any Credit Agreement if there shall be in effect such Credit Agreement.

Section 4. Delivery and Application of Pledged Revenues. All Pledged Revenues at the time payable to the City shall be delivered to and held by the Trustee in the Pledged Revenue Account. The City agrees to take all necessary steps to direct and authorize the State to pay the Pledged Revenues directly to the Trustee for application as set forth in this section. The City further agrees to promptly execute and deliver each month to the State Office of Administration all documentation required by the State pursuant to the Statute for payment of the Pledged Revenues. The Trustee shall deposit the Pledged Revenues into the Pledged Revenues Account to be applied as follows:

(i) First, to pay the principal of, premium, if any, and interest on the Bonds and any Additional Bonds prior to the application of amounts deposited in the Bond Fund pursuant to Section 4.1 and Section 4.2 of the Lease Agreement or, in lieu of the foregoing, in the event there shall be in effect a Credit Agreement, such moneys shall be applied, if necessary, to reimburse the Credit Provider for any claims thereunder including applicable costs and fees incurred in payment of principal of and interest on the Bonds or Additional Bonds;

(ii) Second, in the event that the amounts held in the Pledged Revenues Account on any Principal Payment Date exceed the amounts then due to pay the amounts payable under subparagraph (i) above, either:

(a) to pay to the City such excess amount within five (5) Business Days of said Principal Payment Date; or

(b) if the City so elects in accordance with Section 4.1 of the Lease Agreement, to the credit of the City for payment of future obligations, if any, under the Lease Agreement; and

(iii) Third, in the event of termination of the Lease Agreement, to the obligations of the Corporation then due under the Indenture, less any amount realized by the Corporation or the Trustee from the lease of the St. Louis Jail Facilities.

Section 5. Notification to City. Thirty (30) days prior to the due date of each payment of principal and interest and premium, if any, on the Bonds, the Trustee shall notify the Comptroller of the City in writing of the amount of Pledged Revenues received by the Trustee and held in the Pledged Revenues Account.

Section 6. Transfers and Other Liens. The City agrees that, without the prior written consent of the Trustee, the City will not create or permit to exist any lien, security interest, or other charge or encumbrance upon or with respect to any of the Pledged Revenues, except for the pledge and security interest created by this Pledge Agreement. Notwithstanding the foregoing, this Pledge Agreement may be amended to include any pledge and security agreement created by the issuance of any Additional Bonds and any Credit Enhancement therefor.

Section 7. Amendment or Waiver. No amendment or waiver of any provision of this Pledge Agreement nor consent to any departure by the City herefrom, shall in any event be effective unless the same shall be in writing and signed by the Trustee and by the Credit Provider, and then such amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. The City shall provide notice and a draft of any such written amendment, waiver or consent to the Trustee and to the Credit Provider for prior review. The City shall additionally provide to any rating agency which shall be rating the Bonds and any Additional Bonds notice and a copy of any such amendment, waiver, or consent at least fifteen (15) days prior to execution. Upon full execution of any such written amendment, waiver, or consent, the City shall provide a copy of the same to the Trustee and the Credit Provider.

Section 8. Continuing Security Interest. This Pledge Agreement shall create a continuing pledge and security interest in the Pledged Revenues.

Section 9. Further Assurances. The City agrees that at any time and from time to time, at the expense of the City, the City, to the extent permitted by law, will promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary or desirable, or that the Trustee may request, in order to perfect and protect any security interest granted or purported to be granted hereby or to enable the Trustee to exercise and enforce its rights and remedies hereunder with respect to any Pledged Revenues.

Section 10. Security Interest Absolute. Subject to Sections 2 and 11 hereof, all rights of the Trustee and security interests hereunder, and all obligations of the City hereunder, shall be absolute and unconditional irrespective of:

- (i) any change in the time, manner or place of payment of, or in any other term of, all or any of the Bonds, or any other amendment or waiver of or any consent to any departure from the Indenture, any Credit Agreement or the Bonds;
- (ii) any exchange, release or non perfection of any other collateral, or any release or amendment or waiver of or consent to departure from any guaranty, for all or any of the obligations secured by this Pledge Agreement;
- (iii) termination of the Lease Agreement or, any Credit Agreement for any reason; or
- (iv) any other circumstance which might otherwise constitute a defense available to, or a discharge of, the Corporation or the Credit Provider.

Section 11. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Missouri.

Section 12. Limitation of Obligations. The Trustee hereby acknowledges that the obligations secured by the payments hereunder are neither general obligations nor an indebtedness for any purpose of the City or of the State, or of any officer or employee thereof. The Trustee further acknowledges that the payment by the State and that the Statute providing for the Pledged Revenues is subject at any time to amendment or repeal, and that the State is not a party to this Pledge Agreement.

IN WITNESS WHEREOF, the City has caused this Pledge Agreement to be duly executed and delivered by its officers thereunto duly authorized as of the date first above written.

CITY OF ST. LOUIS, MISSOURI

By: \_\_\_\_\_  
Freeman R. Bosley, Jr.  
Mayor

By: \_\_\_\_\_  
Darlene Green  
Comptroller

[SEAL]  
ATTEST:

\_\_\_\_\_  
Register

APPROVED AS TO FORM:

By: \_\_\_\_\_  
City Counselor

MARK TWAIN BANK

By: \_\_\_\_\_

\_\_\_\_\_  
Vice President  
[SEAL]

ATTEST:

By: \_\_\_\_\_

ARTICLES OF INCORPORATION

OF

ST. LOUIS MUNICIPAL FINANCE CORPORATION III

A MISSOURI NONPROFIT CORPORATION

HONORABLE REBECCA McDOWELL COOK

SECRETARY OF STATE

STATE OF MISSOURI

P.O. BOX 778

JEFFERSON CITY, MISSOURI 65101

WE, the undersigned

Name Address

1. Thomas J. Bozzo Office of the Comptroller  
Room 311, City Hall  
1200 Market Street  
St. Louis, Missouri 63103

2. Ivy Neyland-Pinkston Office of the Comptroller  
Room 311, City Hall  
1200 Market Street  
St. Louis, Missouri 63103

3. Kenneth Goines Office of the Comptroller  
Room 414, City Hall  
1200 Market Street  
St. Louis, Missouri 63103

being natural persons of the age of eighteen or more and citizens of the United States, for the purpose of forming a corporation under the Missouri Nonprofit Corporations Act do hereby adopt the following Articles of Incorporation:

#### ARTICLE I

The name of the corporation is St. Louis Municipal Finance Corporation III (hereinafter "Corporation III").

#### ARTICLE II

The period of duration of Corporation III is perpetual. ARTICLE III

The address of Corporation III's initial registered office is St. Louis Municipal Finance Corporation III, Room 212 City Hall, 1200 Market Street, in the City of St. Louis, Missouri 63103, and the name of its initial registered agent at said address is Kenneth Goines.

#### ARTICLE IV

The first Board of Directors shall be five (5) in number and their names and addresses being as follows:

Name Address

1. Freeman Bosley, Jr. Room 200, City Hall

Mayor, 1200 Market Street  
or his designee St. Louis, Missouri 63103

2. Darlene Green, Room 212 City Hall  
Comptroller, 1200 Market Street  
or her designee. St. Louis, Missouri 63103

3. Francis Slay, Room 230 City Hall  
President of Board of 1200 Market Street  
Aldermen, or his designee. St. Louis, Missouri 63103

4. Frank Jackson, Room 327 City Hall  
Budget Director, 1200 Market Street  
or his designee. St. Louis, Missouri 63103

5. Tyrone Taborn, Room 314, City Hall  
City Counselor, 1200 Market Street  
or his designee. St. Louis, Missouri 63103

## ARTICLE V

Corporation III is organized exclusively for charitable, scientific and educational purposes within the meaning of section 501(c)(3) of the Internal Revenue Code of 1986, and the regulations thereunder (or the corresponding provision of any future United States Internal Revenue Law), and within the meaning of The Missouri Nonprofit Corporation Act, including, for such purposes, to lessen the burden of government of the City of St. Louis by: (I) financing, acquiring, leasing or subleasing real property and any improvements thereon and personal property to the City; and/or (ii) financing or refinancing obligations of the City; and/or (iii) any other purposes permitted by The Missouri Nonprofit Corporation Act, as amended. No part of the net earnings, income, or property of Corporation III shall inure to the benefit of, or be distributable to, its directors, officers, or other private persons or entities, except that Corporation III shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in this Article V. Except to the extent permitted by Section 501(h) of the Internal Revenue Code 1986, as amended, (or the corresponding provisions of any future United States Internal Revenue Law), no substantial part of the activities of Corporation III shall be the carrying on of propaganda, or otherwise attempting to influence legislation. Corporation III shall not participate in, or intervene in (including the publishing



or distribution of statements), any political campaign on behalf of, or in opposition to any candidate for public office. Notwithstanding any other provision of these Articles, Corporation III shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from the Federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, (or the corresponding provision of any future United States Internal Revenue Law), (b) by a corporation whose contributions which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1986, as amended, (or the corresponding provision of any future United States Internal Revenue Law), and (c) by a corporation organized under The Missouri Nonprofit Corporation Act as now existing or hereafter amended.

## ARTICLE VI

Corporation III shall have no members. There are no members having voting rights with respect to amendments. The affairs of Corporation III shall be managed by its Board of Directors. The number of Directors and their terms shall be as described in the By- Laws, provided that there shall not be less than three (3) directors. The Directors of Corporation III shall be elected in the manner described in the By-Laws.

## ARTICLE VII

A. Actions Involving Directors. Corporation III shall indemnify each person who, at any time, is serving or has served as a Director of Corporation III against any claim, liability or expense incurred as a result of such service, to the maximum extent permitted by law. Without limiting the generality of the foregoing, Corporation III shall indemnify any such person who was or is a party (other than a party plaintiff suing on his own behalf or in the right of Corporation III), or is threatened to be made a party, to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (including, but not limited to, an action by or in the right of Corporation III) by reason of the fact that he or she is or was a director, against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding. Any member on the Board of Directors who has the power to appoint a designee has the power to remove any person designated by him or her.

### B. Actions Involving Officers, Employees or Agents

1. Corporation III may, if it deems appropriate, and as may be permitted by this Article VII, indemnify any officer, employee or agent of Corporation III

against any claim, liability or expense incurred as a result of such service to the maximum extent permitted by law or to such service, to the maximum extent permitted by law or to such lesser extent as the Corporation III, in its discretion, may deem appropriate. Without limiting the generality of the foregoing, Corporation III may indemnify any such person who was, or is, a party (other than a party plaintiff suing on his or her own behalf or in the right of Corporation III), or is threatened to be made a party, to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (including but not limited to, an action by or in the right of Corporation III) by reason of the fact that he or she is or was an officer, employee or agent of Corporation III, or is, or was serving at the request of Corporation III as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees) judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding.

2. To the extent that an officer, employee or agent of Corporation III has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section B(1) of this Article VII, or in defense of any claim, issue or matter therein, he or she shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection with the action, suit or proceeding.

C. Determination of Right to Indemnification in Certain Circumstances. Any indemnification required under Section A of this Article VII or authorized by Corporation III under Section B of this Article VII (unless ordered by a court) shall be made by Corporation III unless a determination is reasonably and promptly made that indemnification of the director, officer, employee or agent is not proper in the circumstances because he or she has not met the applicable standard of conduct set forth in or established pursuant to this Article VII. Such determination shall be made (1) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (2) if such a quorum is not obtainable, or even if obtainable, a quorum of disinterested directors so directs, by independent legal counsel in a written opinion.

D. Advance Payment of Expenses.

Expenses incurred by a person who is or was a director of Corporation III in defending a civil or criminal action, suit or proceeding in connection with serving or having served as a Director of Corporation III shall be paid by

Corporation III in advance of the final disposition of such action, suit or proceeding, and expenses incurred by a person who is or was an officer, employee or agent of Corporation III in defending a civil or criminal action, suit or proceeding may be paid by Corporation III in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Directors, in either case upon receipt of an undertaking by or on behalf of the director, officer, employee or agent to repay such amount unless it shall ultimately be determined that he or she is entitled to be indemnified by Corporation III as authorized in or pursuant to this Article VII.

E. Not Exclusive.

The indemnification provided by this Article VII shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under the By-Laws of Corporation III or any statute, agreement, vote of disinterested directors or otherwise, both as to action in an official capacity and as to action in another capacity while holding such office.

F. Indemnification Agreements Authorized. Without limiting the other provisions of this Article VII, Corporation III is authorized from time to time, to enter into agreements with any director, officer, employee or agent of Corporation III, as Corporation III may deem appropriate, up to the maximum extent permitted by law. Any such agreement entered into by Corporation III with a director may be authorized by the other directors, and such authorization shall not be invalid on the basis that similar agreements may have been or may thereafter be entered into with such other directors.

G. Standard of Conduct.

Except as may otherwise be permitted by law, no person shall be indemnified pursuant to this Article VII (including without limitation pursuant to any agreement entered into pursuant to Section F of this Article VII) from or on account of such person's conduct which is finally adjudged to have been knowingly fraudulent, deliberately dishonest or willful misconduct. Corporation III may (but need not) adopt a more restrictive standard of conduct with respect to the indemnification of any officer, employee or representative of Corporation III.

H. Insurance.

Corporation III may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of Corporation III, or is or

was serving at the request of Corporation III as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him or and incurred by him in any such capacity, or arising out of his or her status as such, whether or not Corporation III would have the power to indemnify him or her against such liability under the provisions of this Article VII.

#### I. Certain Definitions.

For the purposes of this Article VII:

1. Any director or officer of Corporation III who shall serve as a director, officer or employee of any other corporation, joint venture, trust or other enterprise of which Corporation III, directly or indirectly, is or was the owner of a majority of either the outstanding equity interests or the outstanding voting stock (or comparable interests) shall be deemed to be serving as such director, officer or employee at the request of Corporation III, unless the Board of Directors of Corporation III shall determine otherwise. In all other instances where any person shall serve as a director, officer, employee or agent of another corporation, joint venture, trust or other enterprise of which Corporation III is or was a stockholder or director, or in which it is or was otherwise interested, if it is not otherwise established that such person is or was serving as such director, officer, employee or agent at the request of Corporation III, the Board of Directors of Corporation III may determine whether such service is or was at the request of Corporation III, and it shall not be necessary to show any actual or prior request for such service.

2. References to a corporation include all constituent corporations absorbed in a consolidation or merger as well as the resulting or surviving corporation so that any person who is or was a director, officer, employee or agent of such a constituent corporation or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise shall stand in the same position under the provisions of this Article VII with respect to the resulting or surviving corporation as he would if he had served the resulting or surviving corporation in the same capacity.

3. The term "other enterprise" shall include employee benefit plans; the term "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan; the term "serving at the request of Corporation III" shall include any service as a director, officer, employee or agent of Corporation III which imposes duties on, or involves services by, such director, officer,

employee or agent with respect to any employee benefit plan, its participants, or beneficiaries; and a person who acted in good faith and in a manner he or she reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have satisfied any standard of care required by or pursuant to this Article VII.

#### ARTICLE VIII

Corporation III shall have all the powers permitted a corporation that is both a not-for-profit corporation under The Missouri Nonprofit Corporation Act and an exempt organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, (or the corresponding provision of any future laws of the State of Missouri or the Internal Revenue Law of the United States).

#### ARTICLE IX

Bylaws of Corporation III, consistent with these Articles, shall be adopted by the Board of Directors, and may be amended in the manner provided in such bylaws. ARTICLE X

These articles may be amended in the manner provided by law. ARTICLE XI

Upon the dissolution of Corporation III, the Board of Directors shall, after paying or making provision for the payment of all of the liabilities of Corporation III, distribute all the assets of Corporation III to the City of St. Louis for such public purposes as the Board of Directors shall determine. Any of such assets not so disposed of shall be disposed of by the circuit court of the city or county in which the principal office of Corporation III is then located by distribution to the City of St. Louis for one or more of its public purposes, as said court shall determine.

---

Thomas J. Bozzo,  
Deputy Comptroller  
City of St. Louis

---

Ivy Neyland-Pinkston,  
Deputy Comptroller for Finance and Development  
City of St. Louis

---

Kenneth Goines,

Financial Analyst  
City of St. Louis

STATE OF MISSOURI )  
) SS  
CITY OF ST. LOUIS )

I, \_\_\_\_\_, a notary public, do hereby certify that on the \_\_\_\_\_ day of \_\_\_\_\_, 1996, Thomas J. Bozzo personally appeared before me and being first duly sworn by me, severally acknowledged that he signed as his free act and deed the forgoing document in the capacity therein set forth and declared that the statements contained therein are true to his best knowledge and belief.

IN WITNESS THEREOF, I have hereunto set my hand and seal the day and year written above.

\_\_\_\_\_  
Notary Public

STATE OF MISSOURI )  
) SS  
CITY OF ST. LOUIS )

I, \_\_\_\_\_, a notary public, do hereby certify that on the \_\_\_\_\_ day of \_\_\_\_\_, 1996, Ivy Neyland-Pinkston personally appeared before me and being first duly sworn by me, severally acknowledged that she signed as her free act and deed the forgoing document in the capacity therein set forth and declared that the statements contained therein are true to her best knowledge and belief.

IN WITNESS THEREOF, I have hereunto set my hand and seal the day and year written above.

\_\_\_\_\_  
Notary Public

STATE OF MISSOURI )  
) SS  
CITY OF ST. LOUIS )

I, \_\_\_\_\_, a notary public, do hereby certify that on the \_\_\_\_\_ day of \_\_\_\_\_, 1996, Kenneth Goines personally appeared

before me and being first duly sworn by me, severally acknowledged that he signed as his free act and deed the forgoing document in the capacity therein set forth and declared that the statements contained therein are true to his best knowledge and belief.

IN WITNESS THEREOF, I have hereunto set my hand and seal the day and year written above.

---

Notary Public

CERTIFIED BY-LAWS

OF

ST. LOUIS MUNICIPAL FINANCE CORPORATION III

The undersigned hereby certifies that he is the duly elected, qualified and acting Secretary of the St. Louis Municipal Finance Corporation III, a Missouri not-for-profit corporation, that he has custody of the corporate records of said corporation, that attached hereto and marked Exhibit A is a true and correct copy of the By-Laws of the St. Louis Municipal Finance Corporation III, and that said By-Laws, in the form attached hereto are presently in full force and effect have been in full force and effect on and at all times subsequent to \_\_\_\_\_, to and including the date hereof.

IN WITNESS WHEREOF, the undersigned has hereunto subscribed his signature this \_\_\_\_\_ day of \_\_\_\_\_, 1996.

---

Secretary

PROPOSED

BYLAWS

OF

ST. LOUIS MUNICIPAL FINANCE CORPORATION III

OFFICES, PURPOSES AND POWERS

1. (a) The St. Louis Municipal Finance Corporation III (the "Corporation III") may have offices at such places as the Board of Directors may from time to time determine or the business of Corporation III may require. (b) The purpose and objectives of Corporation III are to lessen the burden of the government of the City of St. Louis by (i) financing, acquiring, leasing or subleasing real property and improvements thereon and personal property to the City, and/or (ii) financing or refinancing obligations of the City, and/or (iii) any other purposes permitted by The Missouri Nonprofit Corporation Act.

2. The property and affairs of Corporation III shall be managed by the Board of Directors of Corporation III. Except as it may be expressly limited by law, the Articles of Incorporation or these By-Laws, the Board of Directors shall have the power and authority to supervise, control, direct and manage the property and affairs of Corporation III, to do or cause to be done all lawful things for and on behalf of Corporation III and to exercise or cause to be exercised all of its powers, privileges or franchises; provided, however, that (i) the Board of Directors shall not authorize or permit Corporation III to engage in any activity not permitted to be transacted by its Articles of Incorporation or by a not-for-profit corporation organized under the laws of the State of Missouri; (ii) Corporation III shall not exercise its power to carry on activities, which do not in themselves further the purposes of Corporation III, except those powers which are an insubstantial part of its activities, and (iii) all income and property of Corporation III shall be applied exclusively for its not-for-profit purposes.

3. No part of the net earnings or other assets of Corporation III shall inure to the benefit of any Director, Officer, contributor or other person having, directly or indirectly, a personal or private interest in the activities of Corporation III.

## DIRECTORS

4. The day-to-day affairs of Corporation III shall be governed and managed by the Board of Directors. The first Board of Directors shall be as provided by Article 4 of the Articles of Incorporation. After the first meeting of the Board of Directors, the

Board of Directors shall consist of five persons, as follows:

1. The Mayor of the City of St. Louis, or his or her designee.
2. The Comptroller of the City of St. Louis, or his or her designee.
3. The President of the Board of Aldermen of the City of St. Louis, or his or her designee.



4. The City Counselor of the City of St. Louis, or his or her designee.
5. The Budget Director of the City of St. Louis, or his or her designee.
5. The above-enumerated persons shall serve as Directors of Corporation III for so long as they hold their respective positions with the City of St. Louis. When a successor to any of the present holders of the above-enumerated positions with the City of St. Louis has been qualified and assumes such position, such successor shall succeed his or her predecessor as a Director of Corporation III and the term of any Director designated by any such predecessor officer shall terminate. The Mayor, Comptroller, President of the Board of Aldermen, City Counselor and Budget Director, or any of them, may name a designee to serve as a Director of Corporation III by tendering a written designation to Corporation III's Secretary, which shall be made part of the records of Corporation III. Any such designation may be revoked by the designating person, in writing, revoking such designation. If any such designation is revoked, the person revoking such designation shall become a Director of Corporation III unless he or she names a new designee.
6. Any such designee or successor designee shall be an employee, officer, or agent of the City of St. Louis.

#### MEETINGS OF THE BOARD OF DIRECTORS

7. The Directors may hold their meetings and keep the books of Corporation III at the principal business office of Corporation III in the State of Missouri or at such other place within the State of Missouri as they may from time to time determine and as may be permitted or required by law. The initial designated principal business office of Corporation III shall be the Office of the Comptroller of the City of St. Louis.
8. The Annual Meeting of the Directors shall be held on the first Tuesday after June 30 at the principal offices of the Corporation III at the office of the Comptroller of the City of St. Louis and except as otherwise required by law, no notice of such meeting shall be necessary in order to legally constitute the meeting provided a quorum shall be present, or except as otherwise required by law, they may meet at such place and time as shall be fixed by the consent in writing of all the Directors.
9. Regular meetings of the Board may be held at such time and place as shall from time to time be determined by the Board after such public notice as may

be required by law. Regular and Special Meetings of the Board may take place by way of telephone conference call provided all other requirements are met.

10. Unless otherwise required by law, special meetings of the Board shall be called by any Officer of Corporation III, on his or her own motion, on any notice reasonable under the circumstances, said notice to be made by any reasonable means including, but not limited to, personally, by first class mail, by telegram, by telephone, or facsimile transmission.

11. Whenever under the provisions of the Missouri statutes, the Articles of Incorporation or these By-Laws, and unless otherwise required by law, notice (other than notice of a meeting of the Board) is required to be given to any Director, such notice may be made by any reasonable means including, but not limited to, personally, by first class mail, by telegram, by telephone, or facsimile transmission.

12. Attendance of a Director at any meeting shall constitute a waiver of notice of such meeting except where the Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

13. Whenever any notice is required to be given, a waiver thereof in writing signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

14. At all meetings of the Board, a majority of all the Directors in office shall be necessary and sufficient to constitute a quorum for the transaction of business, and the act of a majority of the Directors present at any meeting at which there is a quorum shall be the act of the Board of Directors, except as may be otherwise specifically provided by statute or in these By-Laws. Each Director present at any meeting shall be entitled to cast one vote on each matter coming before such meeting for decision. Unless otherwise required by law, if a quorum shall not be present at any meeting of the Directors, the Directors in attendance may adjourn the meeting, from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

#### COMPENSATION OF DIRECTORS

15. Directors shall not receive any stated salary for their services, or expenses of attendance at meetings of the Board of Directors; provided that nothing in this paragraph shall be construed to preclude any Director from serving for the City in any other capacity and receiving compensation or reimbursement of

expenses therefor. The Board of Directors may, by resolution, as permitted by law, approve reimbursement of reasonable and necessary extraordinary expenses, such as travel, incurred by Directors personally in the performance of their duties as Directors.

## EXECUTIVE COMMITTEE

16. The Board of Directors, by a resolution adopted by a majority of the Directors in office, may designate an Executive Committee, which shall consist of at least three (3) members who are Directors of Corporation III. Members of the Executive Committee other than officers of Corporation III shall be appointed by the President subject to approval by a majority of the Directors in office. The Executive Committee shall be responsible for long range planning. The Executive Committee shall have and exercise such powers and authority of the Board of Directors in the administration and management of the operations and affairs of the Corporation III as shall be delegated to the committee by the Board of Directors, provided, however, that the Board of Directors shall not delegate to such committee the power to alter or amend any contract or agreement with the City, amend the Articles of Incorporation or these By-Laws.

## OTHER COMMITTEES AND ADVISORY BOARDS

17. Other committees, not necessarily having a Director as a member thereof, may be designated by a resolution adopted by a majority of the Directors in office.

18. Special committees, not necessarily having a Director as a member thereof, may be designated by a resolution adopted by a majority of the Directors in office.

19. A special committee shall limit its activities to the accomplishment of the task for which it is appointed and shall have no power to act, except as specifically conferred by resolution of the Board. Upon completion of the task for which it was appointed, such special committee shall be disbanded.

20. There may be established from time to time, by the Board of Directors, advisory or consulting boards to be known as boards of advisors, which said boards shall relate to one or more of the functions or activities of Corporation III. The duties and authorities of said boards shall be determined by resolution duly adopted by the Board of Directors, and shall include generally the authority and duty to consult with and advise the Board of Directors with

respect to the conduct and support of such functions and activities. Such boards shall not have the power and authority to contract for or bind this Corporation III in policy, legal or fiscal matters. Such boards shall have the right to meet jointly with the Board of Directors at least annually, but members thereof shall not have the right to vote on matters presented at such joint meetings.

## OFFICERS

21. The officers of Corporation III shall be a President, two Vice-Presidents, a Treasurer, and a Secretary who shall be chosen by vote of a majority of the Directors in office.

22. The Board of Directors may appoint such other Officers and agents as it shall deem necessary, who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the

Board of Directors.

23. Officers shall not receive any stated salary for their services or expenses of attendance at meetings of the Board of Directors. The Board of Directors may, by resolution, as permitted by law, approve reimbursement of reasonable and necessary extraordinary expenses, such as travel, incurred by Officers personally in the performance of their duties as Officers of Corporation III.

24. The Officers of Corporation III shall be elected by the Board of Directors to hold office for terms of three years. Any officer elected or appointed by the Board of Directors shall be qualified to perform his or her duties and may be removed at any time by the affirmative vote of a majority of the whole Board of Directors, whenever, in judgment of the Board, the best interest of Corporation III will be served thereby.

## PRESIDENT

25. The President shall preside at all meetings of the Board of Directors and shall perform such other duties as shall be prescribed by the Board of Directors. The President shall be the Chief Executive Officer of Corporation III. The President shall have the right to prescribe rules relative to the orderly and efficient conduct of the meetings.

26. The President shall see that all orders and resolutions of the Board are carried into effect.

27. The President shall execute leases, bonds, mortgages and other contracts of Corporation III, except where permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the Board of Directors to some other officer or agent of Corporation III.

#### VICE PRESIDENTS

28. The Vice Presidents, in the order of their seniority, shall, in the absence or disability of the President, perform the duties and exercise the powers of the President, and shall perform such other duties as the Board of Directors may prescribe.

#### SECRETARY AND ASSISTANT SECRETARIES

29. The Secretary shall keep or cause to be kept a record of all meetings of the Board of Directors and shall record all votes and the minutes of all proceedings in a book to be kept for that purpose. He or she shall give, or cause to be given, notice of all special meetings of the Board of Directors and shall perform such other duties as may be prescribed by the Board of Directors or President, under whose supervision he or she shall be.

30. The Assistant Secretaries, if any, in order of their seniority, shall, in the absence or disability of the Secretary, perform the duties and exercise the powers of the Secretary and shall perform such other duties as the Board of Directors may prescribe.

#### TREASURER AND ASSISTANT TREASURERS

31. The Treasurer, if any, shall have the custody of Corporation III funds and securities, shall keep full and accurate accounts of receipts and disbursements in books belonging to Corporation III, shall deposit all moneys and other valuable effects in the name and to the credit of Corporation III in such depositories as may be designated by the Board of Directors, and shall perform such other duties as the Board of Directors may prescribe.

32. The Treasurer shall disburse the funds of Corporation III as may be ordered by the Board, taking proper vouchers for such disbursements, and shall render to the President and Directors, at the regular meetings of the Board or whenever they may require it, an account of all his or her transactions as Treasurer and of the financial condition of Corporation III.

33. If required by the Board of Directors, the Treasurer shall give Corporation III a bond in such sum and with such surety or sureties as shall be satisfactory to the Board for the faithful performance of the duties of his or her office and for the restoration to Corporation III, in case of his or her death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his or her possession or under his or her control belonging to Corporation III.

34. The Assistant Treasurers, if any, in the order of their seniority shall, in the absence or disability of the Treasurer, perform the duties and exercise the powers of the Treasurer and shall perform such other duties as the Board of Directors may prescribe.

#### CHECKS

35. All checks or demands for money and notes of Corporation III shall be signed by such Officer or Officers or such other person or persons as the Board of Directors may from time to time designate. FISCAL YEAR

36. The fiscal year of Corporation III shall begin the first day of July in each year.

#### SEAL

37. Corporation III shall have a seal. The seal of Corporation III shall have inscribed thereon the name of Corporation III, the state of incorporation, the words, "Corporate Seal", and such other inscriptions as the Board of Directors may deem appropriate. Said seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

#### REGISTERED OFFICE AND REGISTERED AGENT

38. Corporation III shall have and continuously maintain a registered office and registered agent in the State of Missouri. The location of the registered office and the name of the registered agent in the State of Missouri shall be such as are stated in the Articles of Incorporation and as may be changed and determined from time to time by the Board of Directors pursuant to applicable law.

#### RECORDS

39. Corporation III shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of the Board of Directors and each committee having any of the authority of the Board of Directors. Corporation III shall keep at its registered office or principal office a record of the name and address of each Director.

#### RESIGNATION OF DIRECTORS

40. Any Director may resign from the Board of Directors. Such resignation shall be in writing and shall be effective immediately upon its acceptance by the Board of Directors as such resignation may provide.

#### INDEMNIFICATION OF DIRECTORS, OFFICERS EMPLOYEES AND AGENTS

41. Each person who is or was a Director, Officer, employee or agent of Corporation III, or is or was serving at the request of Corporation III as a Director, Officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise shall be indemnified by the Corporation III in the manner as provided by Article 7 of the Articles of Incorporation.

#### CONFLICTS OF INTEREST

42. Unless otherwise provided by applicable law, no contract or transaction between Corporation III and one or more of its Directors or Officers, or between Corporation III and any other corporation, partnership, association, or other organization in which one or more of its Directors or Officers are Directors or Officers, or have a financial interest, shall be void or voidable solely for this reason, or solely because the Director or Officer is present at or participates in the meeting of the Board of Directors or committee thereof which authorizes the contract or transaction, or solely because his or her votes are counted for such purpose, if:

(a) the material facts as to his or her relationship or interest and as to the contract or transactions are disclosed or are known to the Board or committee, and the Board or committee in good faith authorizes the contract or transaction by the affirmative vote of a majority of the disinterested Directors, even though the disinterested Directors be less than a quorum; or

(b) the contract or transaction is fair as to Corporation III as of the time it is authorized or approved by the Board, or a committee thereof.

## ALTERATION, AMENDMENT OR REPEAL OF BY-LAWS

43. These By-Laws may be altered, amended or repealed at any regular meeting of the Board of Directors, or at any special meeting of the Board of Directors, if notice of the proposed alteration, amendment or repeal be contained in the notice of such special meeting, by the affirmative vote of 60% of the whole Board of Directors.

## MISCELLANEOUS

44. Wherever not otherwise provided in the By-Laws, the internal affairs of Corporation III shall be governed by the procedures established in The Missouri Nonprofit Corporation Act. Any provision of these By-Laws conflicting with Chapter 355 of the Missouri Revised Statutes shall be deemed amended to conform to such chapter.

## EXHIBIT H

### ESCROW AGREEMENT

among

THE CITY OF ST. LOUIS, MISSOURI

and

ST. LOUIS MUNICIPAL FINANCE CORPORATION

and

MARK TWAIN BANK

ST. LOUIS, MISSOURI

AS ESCROW AGENT

DATED AS OF AUGUST 1, 1996

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## ESCROW AGREEMENT

THIS ESCROW AGREEMENT, dated as of August 1, 1996, (the "Agreement"), by and among the CITY OF ST. LOUIS, MISSOURI, a municipal corporation and a political subdivision of the State of Missouri (the "City"), ST. LOUIS MUNICIPAL FINANCIAL CORPORATION, a Missouri nonprofit corporation duly organized and existing under the laws of the State of Missouri (the "Corporation"), and MARK TWAIN BANK, a trust company duly organized and existing under and by virtue of the laws of the State of Missouri, in its capacity as escrow agent (hereinafter the "Escrow Agent").

### WITNESSETH:

WHEREAS, the Corporation has heretofore duly authorized and issued its St. Louis Municipal Finance Corporation Leasehold Revenue Improvement and Refunding Revenue Bonds, Series 1992, in the aggregate principal amount of \$42,645,000 of which issue bonds in the aggregate principal amount of \$31,070,000 remain Outstanding (the "Series 1992 Bonds") pursuant to an Indenture of Trust by and between the Corporation and Mark Twain Bank as Trustee, dated as of June 1, 1992 (the "Series 1992 Indenture"); and

WHEREAS, the Board of Aldermen of the City and the Board of Directors of the Corporation have determined that it is necessary and advisable and in the best interest of the City and the Corporation to pay, refund and redeem and thereby to retire the Series 1992 Bonds which remain outstanding and unpaid by depositing with the Escrow Agent funds in an amount sufficient together with certain funds of the City, to purchase direct obligations of the United States of America that may not be redeemed at the option of the issuer or any person other than the holder thereof, as identified in Schedule I hereto (the "Defeasance Obligations"), which Defeasance Obligations will mature in principal amounts and bear interest in such amounts and become due and payable at such times so that monies will be available from such maturing principal and interest payments as shall, together with such beginning cash balance, be sufficient to pay, as the same become due by reason of maturity or redemption prior thereto as herein provided, all principal of, interest and redemption premium, if any, on the outstanding Series 1992 Bonds, which mature on and after February 15, 1997; and

WHEREAS, in order to provide funds to purchase the Defeasance Obligations, the Corporation and the City have determined that it is necessary to issue the Corporation's City Justice Center Leasehold Revenue Improvement and Refunding Bonds, Series 1996B (the "Series 1996B Bonds") under the authority of Ordinance \_\_\_\_\_ adopted by the Board of Aldermen of the City on \_\_\_\_\_, 1996, and approved by the Mayor of the City on \_\_\_\_\_, authorizing the Corporation to issue the Series 1996B Bonds, a portion of the proceeds of which will be used for the purpose of providing funds, together with the investment earnings thereon, to refund the Series 1992 Bonds; and

WHEREAS, the Board of Directors of the Corporation has on \_\_\_\_\_, 1996, authorized and approved the issuance of the Series 1996B Bonds; and

WHEREAS, pursuant to the Ordinance, the Corporation is authorized to enter into an Indenture of Trust of even date herewith, as supplemented by the First Supplemental Indenture (collectively, the "Indenture") with Mark Twain Bank, in the City of St. Louis, Missouri as trustee (the "Trustee"), for the purpose of issuing and securing the Series 1996B Bonds and any Additional Bonds, as therein provided, and to apply a portion of the proceeds thereof to such purpose; and

WHEREAS, the Corporation has agreed to purchase Defeasance Obligations from the proceeds of the Series 1996B Bonds, and has agreed to deposit with

the Escrow Agent such obligations and cash from the proceeds of the sale of the Series 1996B Bonds in the amount set forth herein;

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

1. Creation of the Escrow Account. There is hereby created and established with the Escrow Agent a special and irrevocable escrow account designated "St. Louis Municipal Finance Corporation Leasehold Revenue Improvement and Refunding Bonds Escrow Fund for Leasehold Revenue Improvement and Refunding Revenue Bonds, Series 1992" (the "Escrow Account") to be held in the custody of the Escrow Agent in a segregated account separate and apart from all other funds held by the Escrow Agent, in trust for the benefit of the holders of the Series 1992 Bonds.

2. Deposits into Escrow Account.

(a) Concurrently with the execution of this Agreement, there is hereby deposited with the Escrow Agent, and the Escrow Agent hereby acknowledges the receipt of, immediately available funds in the amount of \$\_\_\_\_\_, consisting of certain proceeds of the Series 1996B Bonds in the amount of \$\_\_\_\_\_, certain moneys transferred from the Bond Fund and Debt Service Reserve Fund from the Series 1992 Bonds in the amount of \$\_\_\_\_\_, and certain other available funds in the amount of \$\_\_\_\_\_, which amount shall be deposited in the Escrow Account.

The aforesaid funds so held shall be held in the Escrow Service Reserve Fund Account and administered subject to and in accordance with the terms of this Agreement.

(b) The Corporation and the City hereby instruct the Escrow Agent to purchase with the aforesaid funds on deposit with the Escrow Agent, the Defeasance Obligations described in Schedule I. Co-Bond Counsel has issued its opinion that the Series 1992 Bonds have been defeased in accordance with the Series 1992 Indenture.

3. Creation of Lien. The escrow created hereby shall be irrevocable. The holders of the Series 1992 Bonds are hereby granted an express lien on, and security interest in, the cash and Defeasance Obligations in the Escrow Account and all earnings thereon until used and applied in accordance with this Agreement. Except as otherwise expressly provided in Section 5, such cash

funds and the matured principal of and interest income from the Defeasance Obligations in the Escrow Account shall be applied solely for the payment of the principal of, redemption premium and interest on the Series 1992 Bonds.

Based upon the opinion of Co-Bond Counsel referred to in Section 2 above, the Corporation and the City hereby acknowledge and agree that the deposit of funds hereinbefore described and application of the same in accordance with the terms of this Agreement will constitute all action required for the Series 1992 Bonds to cease to be entitled to any lien, benefit or security under the Series 1992 Indenture and, upon such deposit and such application as aforesaid, all covenants, agreements and obligations of the Corporation under the Series 1992 Indenture to the owners of the Series 1992 Bonds shall cease, terminate and become void and be discharged and fully satisfied. Simultaneously with the delivery of the amounts described in the Section 2 above and the aforementioned opinion of Co-Bond Counsel, the City shall provide to the Trustee a verification report addressed to the Trustee, the City, the Corporation and Co-Bond Counsel from a firm of nationally recognized independent certified public accountants that the amounts which will consist of cash and/or Defeasance Obligations available or to be available for the payment of the Corporation's Series 1992 Bonds will be sufficient to pay when due all principal and interest on the Series 1992 Bonds.

4. Application of Proceeds of Defeasance Obligations. Except as otherwise expressly provided herein, the Escrow Agent shall have no power or duty to invest any monies held hereunder or to sell, transfer or otherwise dispose of the Defeasance Obligations.

As the principal of an interest on the Defeasance Obligations shall mature and be paid, the Escrow Agent shall transfer from the Escrow Account to the Paying Agent for the Series 1992 Bonds such maturing principal and interest, in an account necessary to pay principal and interest coming due on the Series 1992 Bonds on the next payment date and the redemption price of the Series 1992 Bonds on the Redemption Date (as defined below). Such transfers for payment of principal and interest on, and the redemption price of, the Series 1992 Bonds shall be made from the matured principal and interest of the Defeasance Obligations on deposit in the Escrow Account, all in accordance with the dates and amounts set forth in Schedule II attached hereto.

On February 15, 2003 (the "Redemption Date"), the Escrow Agent shall pay, pursuant to the Series 1992 Indenture, principal of, redemption premium, as applicable, and interest on all of the Series 1992 bonds which remain outstanding.

The liability of the Escrow Agent to make the payments required by this Section 4 shall be limited to the funds and Defeasance Obligations on deposit in the Escrow Account. Notwithstanding any other provisions of this Agreement, the City and the Corporation hereby covenant that no part of the proceeds of the Series 1996B Bonds or of the monies or funds in the Escrow Account shall be used, at any time, directly or indirectly, in a manner which, if such use had been reasonably anticipated on the date of issuance of the Series 1996B Bonds would have caused any of such Series 1996B Bonds or the Series 1992 Bonds to be an "arbitrage bond" under Section 148 of the Internal Revenue Code of 1986, as amended, (herein the "Code") and the regulations of the Treasury Department thereunder proposed or in effect at the time of such use and applicable to obligations issued on the date of issuance of the Series 1996B Bonds.

At the written direction of the Corporation and the City and upon compliance with the conditions hereinafter stated, the Escrow Agent shall sell, transfer or otherwise dispose of or request the redemption of the Defeasance Obligations acquired hereunder and to substitute for the Defeasance Obligations (the "Substituted Obligations") which are not subject to redemption prior to maturity except at the option of the holder thereof, provided, however, that such substitution shall only occur upon the receipt by the Escrow Agent of (i) a new verification by a verification agent of the sufficiency of the escrowed securities (assuming such substitution has been made) to provide for the payment of the Series 1992 Bonds in accordance with the terms herein and (ii) an opinion of bond counsel to the effect that such substitution shall not affect the tax-exempt status of the Series 1992 Bonds or the Series 1996B Bonds. The Corporation and the City hereby covenant and agree that they will not request the Escrow Agent to exercise any of the powers described in the preceding sentence in any manner which, if reasonably expected on the date of issuance thereof, would cause any such Series 1992 bonds or Series 1996B Bonds to be an "arbitrage bond" within the meaning of Section 148 of the Code, and the regulations thereunder in effect on the date of such request and applicable to obligations issued on the issue date of such Series 1996B Bonds. The Escrow Agent shall purchase such Substituted Obligations with the proceeds derived from the sale, transfer, disposition or redemption of the Defeasance Obligations in the Escrow Account together with any other funds available for such purpose.

5. Escrow Agent Covenants. The Escrow Agent covenants and agrees with the City and the Corporation as follows:

The Escrow Agent will hold the Defeasance Obligations and all interest income or profit derived therefrom and all uninvested deposits in an irrevocable segregated and separate trust fund account for the sole and exclusive benefit of the Corporation (and the holders of the Series 1992 Bonds) to the purposes for which escrowed.

The Escrow Agent will take no action in the investment or securing of the proceeds of the Defeasance Obligations which would cause the Series 1996B Bonds to be classified as "arbitrage bonds" under Section 103(c) of the Internal Revenue Code of 1986, as amended, and all lawful regulations promulgated thereunder, provided, it shall be under no duty to affirmatively inquire whether the Defeasance Obligations as deposited are properly invested under said section; and, provided, further, it may rely on all specific directions in this Agreement in the investment or reinvestment of balances held hereunder.

The Escrow Agent will submit to the Comptroller of the City a statement within forty-five (45) days after January 1 and July 1 of each calendar year, commencing January 1, 1997, itemizing all moneys received by it and all payments made by it under the provisions of this Agreement during the preceding six (6) month period, and also listing the Defeasance Obligations on deposit therewith on the date of said report, including all moneys held by it received as interest on or profit from the collections of the Defeasance Obligations.

6. Corporation and City Covenants. The Corporation and the City covenant and agree with the Escrow Agent as follows:

The Escrow Agent in its capacity hereunder shall have no responsibility or liability whatsoever for (a) any of the recitals of the City or the Corporation herein, (b) the performance of or compliance with any covenant, condition, term or provisions of the Indenture and (c) any undertaking or statement of the City or the Corporation hereunder or under the Indenture.

All payments to be made by, and all acts and things required to be done by, the Escrow Agent under the terms and provisions of this Agreement, shall be made and done by the Escrow Agent without any further direction or authority of the City or the Corporation.

7. Redemption of Series 1992 Bonds; Notices. The Corporation and the City hereby irrevocably elect and direct the Escrow Agent to cause to be redeemed on the Redemption Date, with the funds in the Escrow Account, the Series 1992 Bonds then outstanding which mature after February 15, 2003.

The Escrow Agent hereby agrees to expeditiously mail by first class mail, as soon as practicable, after the closing of the Series 1996B Bonds, a notice to registered owners of the Series 1992 Bonds in substantially the following form:

**NOTICE TO OWNERS OF ST. LOUIS MUNICIPAL FINANCE CORPORATION LEASEHOLD REVENUE IMPROVEMENT AND REFUNDING BONDS, SERIES 1992, DATED JUNE 1, 1992, MATURING ON FEBRUARY 15, 2004, AND THEREAFTER**

Notice is hereby given by the undersigned on behalf of the St. Louis Municipal Finance Corporation (the "Corporation") to the owners of the Corporation's outstanding Leasehold Revenue Improvement and Refunding Bonds, Series 1992, (the "Series 1992 Bonds"), that there has been deposited irrevocably in trust with Mark Twain Bank, St. Louis, Missouri, as Escrow Agent, direct obligations of the United States of America, the principal of and interest on which, together with other monies on deposit with the Escrow Agent, shall be sufficient to pay on February 15, 2003, the Series 1992 Bonds maturing on and after February 15, 2004, redemption premium and interest thereon in accordance with the irrevocable election and instructions of the Corporation and the City of St. Louis.

Mark Twain Bank  
As Escrow Agent

The Corporation and the City hereby gives the Escrow Agent irrevocable instructions as follows:

To provide in writing, notice in the name of the Corporation, of the Corporation's intention to redeem the Series 1992 Bonds which mature after February 15, 2003, prior to their stated maturities, such notice to be in substantially the following form and to be mailed to each of the registered owners of such Series 1992 Bonds maturing after February 15, 2003, as hereinafter provided, not less than 30 nor more than 60 days prior to the Redemption Date:

**NOTICE OF REDEMPTION TO THE OWNERS OF THE ST. LOUIS MUNICIPAL FINANCE CORPORATION LEASEHOLD REVENUE IMPROVEMENT AND REFUNDING BONDS, SERIES 1992, DATED JUNE 1, 1992, MATURING ON FEBRUARY 15, 2004, FEBRUARY 15, 2006, AND FEBRUARY 15, 2012**

Notice is hereby given by the undersigned on behalf of the St. Louis Municipal Finance Corporation (the "Corporation") that all outstanding Leasehold Revenue Improvement and Refunding Bonds, Series 1992 (described above (the "Series 1992 Bonds") have been irrevocably designated for payment upon redemption and shall be redeemed on February 15, 2003, at a redemption price equal to the percentage set forth below of the principal amount thereof plus interest accrued on such principal amount to, but not including, the date fixed for redemption.

The stated maturity dates, aggregated principal amounts, interest rates, and CUSIP numbers and redemption price (as a percentage) of the Series 1992 Bonds hereby called for redemption are as follows:

Stated Maturity	Principal Amount	Interest Rate	CUSIP Number	Redemption Price
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February 15, 2004	\$1,560,000	6.00 %	102%
February 15, 2005	1,655,000	6.125	102%
February 15, 2006	1,755,000	6.125	102%
February 15, 2012	17,310,000	6.25	102%

The total aggregate principal amount of Series 1992 Bonds maturing after February 15, 2003, which are hereby called for redemption and shall be payable on February 15, 2003, is \$22,280,000.

The Series 1992 Bonds shall be payable upon presentation and surrender at the principal office of Mark Twain Bank, Attention: Corporate Trust Department, 8820 Ladue Road, Ladue, Missouri 63124. Inquiries or requests for additional information should be directed to the principal office of Mark Twain Bank, or by telephone to (314) 889-0750.

Interest on the Series 1992 Bonds called for redemption shall cease to accrue from and after February 15, 2003.

Dated: \_\_\_\_\_  
MARK TWAIN BANK  
ESCROW AGENT

Under the provisions of the Interest and Dividend Tax Compliance Act of 1983, as amended, Paying Agents making payments of principal on municipal securities will be obligated to withhold 31% of the payment of principal to holders who have failed to provide the paying agent with a valid Taxpayer



Identification Number. Holders of the above described securities will avoid such withholding by providing a certified Taxpayer Identification Number when presenting securities for payment.

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8. Remaining Funds. All cash funds and Defeasance Obligations together with any income and interest thereon remaining in the Escrow Account after all Series 1992 Bonds have been duly paid in full at maturity according to their terms or upon redemption as herein provided, shall be transferred to the City, this was already made, for use for any valid City purpose.

9. Liability of Escrow Agent.

(a) The Escrow Agent shall not be liable for any loss resulting from any investment, sale, transfer or other disposition made pursuant to this Agreement in compliance with the provisions hereof. The Escrow Agent shall have no lien whatsoever on, or right of set-off with respect to, any of the moneys or Defeasance Obligations on deposit in the Escrow Account for the payment of fees and expenses for services rendered by the Escrow Agent under this Agreement or otherwise.

(b) The Escrow Agent shall not be liable for the accuracy of the calculations as to the sufficiency of the Defeasance Obligations and moneys to pay the Series 1992 Bonds. So long as the Escrow Agent applies the Defeasance Obligations and moneys as provided herein and complies fully with the Agreement, the Escrow Agent shall not be liable for any deficiencies in the amounts necessary to pay the Series 1992 Bonds caused by such calculations. Notwithstanding the foregoing, the Escrow Agent shall not be relieved of liability arising from, and proximate to, its failure to comply fully with the terms of this Agreement.

(c) In the event of the Escrow Agent's failure to account for any of the Defeasance Obligations or moneys received by it, said Defeasance Obligations or moneys shall be and remain the property of the City in trust for the owners of the Series 1992 Bonds as herein provided, and if for any reason, such Defeasance Obligations or moneys are not applied as herein provided, the assets of the Escrow Agent shall be impressed with a trust for the amount thereof until the required application shall be made.

10. Fees and Costs of the Escrow Agent. The Escrow Agent shall be entitled to reimbursement from the Corporation of out-of-pocket, legal or extraordinary expenses incurred in carrying out the duties, terms or provisions of this

Agreement. Claims for such reimbursement may be made to the City, and in no event shall such reimbursement be made from funds held by the Escrow Agent pursuant to this Agreement.

11. Resignation or Removal of Escrow Agent; Successor Escrow Agent. The Escrow Agent at the time acting hereunder may, at any time, resign and be discharged from its duties and responsibilities hereby created by giving written notice to the City, the Credit Provider and the Corporation not less than sixty (60) days prior to the date when the resignation is to take effect. Such resignation shall take effect immediately upon the occurrence of the following events: (i) the acceptance of the City, the Credit Provider and the Corporation of the resignation, (ii) the appointment of a successor Escrow Agent (which may be a temporary Escrow Agent), (iii) the acceptance by such successor Escrow Agent of the terms, covenants and conditions of this Agreement, (iv) the transfer of the Escrow Account, including the moneys and Defeasance Obligations held therein, to such successor Escrow Agent, and (v) the completion of any other actions required for the principal of, and interest on, the Defeasance Obligations to be made payable to such successor Escrow Agent rather than to the resigning Escrow Agent.

The Escrow Agent may be removed at any time by an instrument or concurrent instruments in writing, delivered to the Escrow Agent and to the Corporation and the City and signed by the owners of a majority in principal amount of the Series 1992 Bonds then outstanding. The Escrow Agent may also be removed by the City, the Credit Provider or the Corporation if the Escrow Agent fails to make timely payment on any Payment Date of the amounts required to be paid by it on such payment date by Section 5 of this Agreement to the persons specified in Section 5. Any removal pursuant to this paragraph shall become effective upon the occurrence of the following events: (i) the appointment of a successor Escrow Agent (which may be a temporary successor Escrow Agent) by the City with the approval of the Credit Provider and the Corporation, (ii) the acceptance by such successor Escrow Agent of the terms, covenants and conditions of this Agreement, (iii) the transfer of the Escrow Account, including the moneys and Defeasance Obligations held therein, to such successor Escrow Agent, and (iv) the completion of any other actions required for the principal of, and interest on, the Defeasance Obligations to be made payable to such successor Escrow Agent rather than to the Escrow Agent being removed.

In the event that the Escrow Agent shall resign or be removed, or be dissolved, or shall be in the course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case the Escrow Agent shall be taken under

the control of any public officer(s), or of a receiver appointed by a court, the City with the consent of the Credit Provider and the Corporation shall appoint a temporary Escrow Agent to fill such vacancy until a successor Escrow Agent shall be appointed by the City in the manner above provided, and any such temporary Escrow Agent so appointed by the City shall immediately and without further act be superseded by the successor Escrow Agent so appointed.

In the event that no appointment of a successor Escrow Agent or a temporary successor Escrow Agent shall have been made by such owners of a majority in principal amount of Series 1992 Bonds then outstanding or by the City pursuant to the foregoing provisions of this Section within sixty (60) days after written notice of resignation of the Escrow Agent has been given to the City, the Credit Provider and the Corporation, the holder of any Series 1992 Bond or any retiring Escrow Agent may apply to any court of competent jurisdiction for the appointment of a successor Escrow Agent, and thereupon, such court may, after such notice, if any, as it shall deem proper, appoint a successor Escrow Agent.

No successor Escrow Agent shall be appointed unless such successor Escrow Agent shall be a corporation with full trust powers, authorized to do business in the State of Missouri, as amended, and organized under the banking laws of the United States or the State of Missouri, and shall have, at the time of appointment, capital, surplus and undivided profits of not less than \$75,000,000.

Every successor Escrow Agent appointed hereunder shall execute, acknowledge and deliver to its predecessor and to the City, the Credit Provider and the Corporation an instrument in writing accepting such appointment hereunder and, thereupon, such successor Escrow Agent, without any further act, deed or conveyance, shall become fully vested with all of the rights, immunities, powers, trusts, duties and obligations of its predecessor, but such predecessor shall, nevertheless, on the written request of such successor Escrow Agent, the City, the Credit Provider or the Corporation, execute and deliver an instrument transferring to such successor Escrow Agent all the estates, properties, rights, powers and trusts of such predecessor hereunder, and every predecessor Escrow Agent shall deliver, to its successor, all securities and moneys held by such predecessor Escrow Agent. In the event that any transfer, assignment or instrument in writing from the City, the Credit Provider or the Corporation be required by any successor Escrow Agent for more fully and certainly vesting in such successor Escrow Agent the estates, rights, powers and duties hereby vested or intended to be vested in the predecessor Escrow Agent, any such transfer, assignment and instrument in writing shall, on

request, be executed, acknowledged and delivered by the City, the Credit Provider or the Corporation.

Any corporation into which the Escrow Agent, or any successor to it of the duties and responsibilities created by this Agreement, may be merged or converted, or with which it or any successor to it may be consolidated, or any corporation resulting from any merger, conversion, consolidation or tax free reorganization to which the Escrow Agent or any successor to it shall be a party, shall, if satisfactory to the City, the Credit Provider and the Corporation, be the successor Escrow Agent under this Agreement, without the execution or filing of any paper or any other act on the part of the parties hereto, anything herein to the contrary notwithstanding.

12. Termination. This Agreement shall terminate when all transfers required to be made by the Escrow Agent under the provisions hereof shall have been made.

13. Severability. If any one or more of the covenants or agreements provided in this Agreement on the part of the City or the Escrow Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained, and shall in no way affect the validity of the remaining provisions of this Agreement.

14. Successors and Assigns. All of the covenants, promises and agreements in this Agreement contained by or on behalf of the Corporation or by or on behalf of the Escrow Agent shall be binding upon, and inure to the benefit of, their respective successors and assigns, whether or not so expressed.

15. Reliance. The Escrow Agent hereunder is conclusively entitled to rely on this Agreement and the opinions of bond counsel and any special tax counsel as to the validity and legal sufficiency thereof and of the refunding, and shall incur no liability for application of funds in accordance with the provisions of this Agreement. The City agrees to indemnify and save harmless to the extent permitted by law the Escrow Agent from and against any claims arising out of or on account of the refunding except for its willful misconduct or gross negligence and except for claims based on its failure to faithfully perform the terms and provisions of this Agreement.

16. Governing Law. This Agreement shall be governed by, and be construed in accordance with, the laws of the State of Missouri.

17. Counterparts. This Agreement may be executed in several counterparts, all of any of which shall be regarded, for all purposes, as one original, and shall constitute and be but one and the same instrument.

18. Amendments to this Agreement. This Agreement is made for the benefit of the owners from time to time of the Series 1992 Bonds and it shall not be repealed, revoked, altered or amended without the written consent of all such owners and the Escrow Agent; provided however, that the Escrow Agent may, without the consent of, or notice to, such owners, enter into such agreements supplemental to this Agreement as shall not adversely affect the rights of such owners and as shall not be inconsistent with the terms and provisions of this Agreement, or any one or more of the following purposes:

(a) to cure any ambiguity or formal defect or omission in this Agreement.

(b) to grant to, or confer upon, the Escrow Agent for the benefit of the holders of the Series 1992 Bonds, any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such holders or the Escrow Agent; and

(c) to subject to this Agreement additional funds, securities or properties.

The Escrow Agent shall be entitled to rely exclusively upon an opinion of counsel, nationally recognized on the subject of municipal bonds, acceptable to the Escrow Agent with respect to compliance with this Section, including the extent, if any, to which any change, modification, addition or elimination affects the rights of the holders of the Series 1992 Bonds, or that any instrument executed hereunder complies with the conditions and provisions of this Section.

IN WITNESS WHEREOF, the parties hereto have each caused this Agreement to be executed by their duly authorized officers or elected officials, and their corporate seals to be hereunder affixed and attested as of the date first above written.

THE CITY OF ST. LOUIS

By: \_\_\_\_\_  
Mayor

By: \_\_\_\_\_  
Comptroller

By: \_\_\_\_\_  
Treasurer (SEAL)

ATTEST:

By: \_\_\_\_\_  
Register

Approved as to form:

By: \_\_\_\_\_  
City Counselor

ST. LOUIS MUNICIPAL FINANCE CORPORATION

By: \_\_\_\_\_  
President  
(SEAL)

ATTEST:

By: \_\_\_\_\_  
Secretary  
MARK TWAIN BANK

By: \_\_\_\_\_  
Vice President (SEAL)

ATTEST:

By: \_\_\_\_\_  
Assistant Secretary

EXHIBIT A

DEFEASANCE OBLIGATIONS

CONTINUING DISCLOSURE AGREEMENT

between

THE CITY OF ST. LOUIS

and

MARK TWAIN BANK

St. Louis, Missouri

as Trustee

Dated August 1, 1996

\$\_\_\_\_\_

ST. LOUIS MUNICIPAL FINANCE CORPORATION

CITY JUSTICE CENTER

LEASEHOLD REVENUE IMPROVEMENT BONDS

SERIES 1996A and

CITY JUSTICE CENTER

LEASEHOLD REVENUE IMPROVEMENT AND REFUNDING BONDS

SERIES 1996B

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## CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "Disclosure Agreement") is executed and delivered by the City of St. Louis, Missouri (the "City") and Mark Twain Bank as Trustee (the "Trustee") in connection with the issuance of \$\_\_\_\_\_ City Justice Center Leasehold Revenue Improvement Bonds, Series 1996A and City Justice Center Leasehold Revenue Improvement and Refunding Bonds, Series 1996B (collectively, the "Series 1996 Bonds") of St. Louis Municipal Finance Corporation (the "Corporation"). The Series 1996 Bonds are being issued pursuant to an Indenture of Trust dated as of August 1, 1996 (the "Master Indenture") between the City and the Trustee, as supplemented by the First Supplemental Indenture dated August 1, 1996 (the "First Supplemental Indenture", collectively, the "Indenture"), by and between the Corporation and the Trustee. The proceeds of the Series 1996 Bonds are being used to pay (i) acquisition (by lease or purchase, including condemnation) of real and personal property, construction, equipping and installing furnishings and equipment for jail facilities including the City Justice Center (as hereinafter defined); (ii) refunding of the outstanding St. Louis Municipal Finance Corporation Leasehold Revenue Improvement and Refunding Bonds, Series 1992; and (iii) the cost of issuance of the Series 1996 Bonds. Pursuant to Section 16.8 of the Lease Purchase Agreement between the Corporation and the City (the "Lease Agreement"), the City has covenanted and agreed as follows:

### SECTION 1: Purpose of the Disclosure Agreement.

This Disclosure Agreement is being executed and delivered by the City and the Trustee for the benefit of the Bondholders and Beneficial Owners of the Series 1996 Bonds and in order to assist the Participating Underwriters in complying with the Rule (as defined below). The City and the Trustee acknowledge that the Credit Provider (as defined in the First Supplemental Indenture) has undertaken no responsibility with respect to any reports, notices or disclosures provided or required under this Disclosure Agreement, and has no liability to any person, including any Holder or Beneficial Owner of the Series 1996 Bonds, with respect to the Rule.



## SECTION 2: Definitions.

In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of any Bonds ( including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Series 1996 Bonds for federal income tax purposes.

"Disclosure Representative" shall mean the Comptroller of the City or his or her designee, or such other person as the City shall designate in writing to the Trustee from time to time.

"Dissemination Agent" shall mean the Trustee, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the City and which has filed with the Trustee a written acceptance of such designation.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

"National Repository" shall mean any Nationally Recognized Municipal Securities Information Repository for purposes of the Rule. The National Repositories currently approved by the Securities and Exchange Commission are set forth in Exhibit B hereto.

"Participating Underwriter" shall mean any of the original underwriters of the Series 1996 Bonds required to comply with the Rule in connection with offering of the Series 1996 Bonds.

"Repository" shall mean each National Repository and each State Repository.

"Rule" shall mean Rule 15c12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of Missouri.

"State Repository" shall mean any public or private repository or entity designated by the State as a state repository for the purpose of the Rule and recognized as such by the Securities and Exchange Commission. As of the date of this Disclosure Agreement, there is no State Repository.

### SECTION 3: Provisions of Annual Reports.

A. The City shall, or shall cause the Dissemination Agent to, not later than 120 days after the end of the City's fiscal year (presently June 30) commencing with the report for the 1996 Fiscal Year, provide to each Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the City's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5A of this Disclosure Agreement.

B. Not later than fifteen (15) Business Days prior to the date specified in Subsection A for providing the Annual Report to the Repositories, the City shall provide the Annual Report to the Dissemination Agent and the Trustee (if the Trustee is not the Dissemination Agent) to determine if the City is in compliance with the first sentence of this subsection.

C. If the Trustee is unable to verify that an Annual Report has been provided to the Repositories by the date in Subsection A, the Trustee shall send a notice to each Repository (the Municipal Securities Rulemaking Board and the State Repository, if any) in substantially the form as Exhibit A hereto.

D. The Dissemination Agent shall:

1. determine each year prior to the date for providing the Annual Report the name and address of each National Repository and the State Repository, if any; and
2. file a report with the City, the Corporation and ( if the Dissemination Agent is not the Trustee) the Trustee certifying that the Annual Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided, and listing all the Repositories to which it was provided.

#### SECTION 4: Content of the Annual Report.

The City's Annual Report shall contain or include by reference the following:

A. The audited financial statements of the City for the prior fiscal year, prepared in accordance with generally accepted accounting principles as promulgated from time to time by the Financial Accounting Standards Board. If the City's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3A of this Disclosure Agreement, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

B. Particular Items To Be Listed To Be Determined -- consisting largely of updates of specified categories of financial information and operating data and/or specific sections and charts in the final official statement.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of issues with respect to which the City is an "obligated person" (as defined by the Rule), which have been filed with each of the Repositories or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The City shall clearly identify each such other document so included by reference.

#### SECTION 5: Reporting of Significant Events.

A. Pursuant to the provisions of this Section, the City shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Series 1996 Bonds, if material:

1. principal and interest payment delinquencies;
2. non-payment related defaults;
3. modifications to rights of Bondholders;
4. optional, contingent or unscheduled bond calls;
5. defeasance;
6. rating changes;

7. adverse tax opinions or events affecting the tax-exempt status of the Series 1996 Bonds;

8. unscheduled draws on debt service reserves reflecting financial difficulties;

9. unscheduled draws on credit enhancements reflecting financial difficulties;

10. substitution of credit or liquidity providers, or their failure to perform;

11. release, substitution or sale of property securing repayment of the Series 1996 Bonds.

B. The Trustee shall, within one (1) Business Day of obtaining actual knowledge of the occurrence of any of the Listed Events, contact the Disclosure Representative, inform such person of the event, and request that the City promptly notify the Trustee in writing whether or not to report the event pursuant to Subsection F.

C. Whenever the City obtains knowledge of the occurrence of a Listed Event, because of a notice from the Trustee pursuant to Subsection B or otherwise, the City shall as soon as possible determine if such event would be material under applicable federal securities laws.

D. If knowledge of the occurrence of a Listed Event would be material under applicable federal securities laws, the City shall promptly notify the Trustee in writing. Such notice shall instruct the Trustee or Dissemination Agent to report the occurrence pursuant to Subsection F.

E. If in response to a request under Subsection B, the City determines that the Listed Event would not be material under applicable federal securities laws, the City shall so notify the Trustee in writing and instruct the Trustee not to report the occurrence pursuant to Subsection F.

F. If the Trustee has been instructed by the City to report the occurrence of a Listed Event, the Trustee shall file a notice of such occurrence with the Municipal Securities Rulemaking Board or to National Repositories and each State Repository with a copy to the City. Notwithstanding the foregoing, notice of Listed Events described in Subsections A-4 and 5 need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to the Bondholders of affected Bonds pursuant to the Indenture.

SECTION 6: Termination of Reporting Obligations.

The City's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all the Series 1996 Bonds. If the City's obligations under the Indenture are assumed in full by another entity, such entity shall be responsible for compliance with this Disclosure Agreement in the same manner as if it were the City, and the City shall have no further responsibility hereunder. If such termination or substitution occurs prior to the final maturity of the Series 1996 Bonds, the City shall give notice of such termination or substitution in the same manner as for a Listed Event under Section 5A of this Disclosure Agreement.

#### SECTION 7: Dissemination Agent.

The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the City pursuant to this Disclosure Agreement. If at any time there is not any other designated Dissemination Agent, the Trustee shall be the Dissemination Agent. The initial Dissemination Agent shall be the Trustee.

#### SECTION 8: Amendment; Waiver.

Notwithstanding any other provision of this Disclosure Agreement, the City and the Trustee may amend this Disclosure Agreement (and the Trustee shall agree to any amendment so requested by the City) and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

1. If the amendment or waiver related to the provisions of Sections 3A, 4 or 5A of this Disclosure Agreement, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of an obligated person with respect to the Series 1996 Bonds, or the type of business conducted;
2. The undertaking, as amended or taking into account such waiver, should, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Series 1996 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

3. The amendment or waiver either (i) is approved by the Bondholders of the Series 1996 Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Bondholders, or (ii) does not, in the opinion of the Trustee or nationally recognized bond counsel, materially impair the interests of the Bondholders or Beneficial Owners of the Series 1996 Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the City shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the City. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section E1 of this Disclosure Agreement, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

#### SECTION 9: Additional Information.

Nothing in this Disclosure Agreement shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of the occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement, the City shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of the occurrence of a Listed Event.

#### SECTION 10: Default.

In the event of a failure of the City or the Trustee to comply with any provision of this Disclosure Agreement, the Trustee may (and, at the request of any Participating Underwriter or the Bondholders or Beneficial Owner of at least 25% aggregate principal amount of Outstanding Bonds, shall), or any Bondholder or Beneficial Owner of at least 25% aggregate principal amount of the Series 1996 Bonds may take such action as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City or the Trustee, as the case may be, to comply with its

obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed to be an Event of Default under the Indenture, and the sole remedy under this Disclosure Agreement in the event of any failure of the City or the Trustee to comply with this Disclosure Agreement shall be action to compel performance.

#### SECTION 11: Duties, Immunities and Liabilities of Trustee and Dissemination Agent.

Article X of the Master Indenture is hereby made applicable to this Disclosure Agreement as if this Disclosure Agreement were (solely for this purpose) contained in the Indenture. The Dissemination Agent (if other than the Trustee or the Trustee in its capacity as Dissemination Agent) shall have only such duties as are specifically set forth in this Disclosure Agreement, and, to the extent permitted by applicable law, the City hereby indemnifies and saves the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys fees and expenses) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Series 1996 Bonds.

#### SECTION 12: Notices.

Any notices or communications to or among any of the parties to this Disclosure Agreement may be given as follows:

To the City:

The City of St. Louis, Missouri  
City Hall, Room 212  
1200 Market Street  
St. Louis, Missouri 63103  
Attention: Comptroller  
Telephone/Fax: 314-622-4389/314-622-4026

To the Trustee:

Mark Twain Bank  
Attn: Dennis Hagemann

8820 Ladue Road  
Ladue, MO 63124  
Telephone/Fax: 314-889-0752/314-889-0736

Any person may, by written notice to the other persons listed above, designate a different address or telephone number(s) to which subsequent notices or communications should be sent.

SECTION 13: Beneficiaries.

This Disclosure Agreement shall inure solely to the benefit of the City, the Trustee, the Dissemination Agent, the Participating Underwriters, and Bondholders and Beneficial Owners from time to time of the Series 1996 Bonds, and shall create no rights in any other person or entity.

SECTION 14: Counterparts.

This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 15: Governing Law.

This Disclosure Agreement shall be governed by and construed in accordance with the laws of the State of Missouri.

SECTION 16: Severability.

If any provision in this Disclosure Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 17: Captions.

The captions or headings in this Disclosure Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or section of this Disclosure Agreement.

Dated: \_\_\_\_\_, 1996

THE CITY OF ST. LOUIS, MISSOURI

By \_\_\_\_\_



Mayor

By \_\_\_\_\_  
Comptroller

(SEAL)

ATTEST

\_\_\_\_\_  
Register

APPROVED AS TO FORM:

By \_\_\_\_\_  
City Counselor

MARK TWAIN BANK, as Trustee

By \_\_\_\_\_  
Authorized Officer

EXHIBIT A

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: St. Louis Municipal Finance Corporation ("Corporation")

Name of Bond Issue: City Justice Center  
Leasehold Revenue Improvement Bonds  
Series A 1996 and

City Justice Center  
Leasehold Revenue Improvement and Revenue  
Refunding  
Bonds Series B 1996

Name of Obligor: The City of St. Louis, Missouri

Date of Issuance: August 1, 1996

NOTICE IS HEREBY GIVEN that the Corporation has not provided an Annual Report with respect to the above-named Bonds as required by Section 507 of the First Supplemental Indenture of Trust dated August 1, 1996 between the City and Mark Twain Bank, as Trustee (the "Trustee"). [The City anticipates that the Annual Report will be filed by \_\_\_\_\_.]

DATED:\_\_\_\_\_

MARK TWAIN BANK, as Trustee, on behalf of the City of St. Louis,  
Missouri

cc: Comptroller, The City of St. Louis, Missouri  
EXHIBIT B

Nationally recognized Municipal Securities Information Repositories approved  
by the Securities and Exchange Commission as of July 17, 1995:

Bloomberg Municipal Repository  
P.O. Box 840  
Princeton, NJ 08542-0804  
Internet address: MUNIS@bloomberg.doc  
(609) 279-3235 (609) 279-5963  
Contact: Dave Campbell

The Bond Buyer  
Second Market Disclosure  
395 Hudson Street, 3rd Floor  
New York, NY 10014  
Internet address: Disclosure@muller.com  
(212) 807-3814  
FAX (212)989-9282  
Contact: Thomas Garske

Disclosure, Inc.  
Document Augmentation/Municipal Securities  
5161 River Road  
Bethesda, MD 20816  
(301) 951-1450  
FAX (301) 718-2329  
Contact: Barry Sugarman (301) 215-6015

JJ Kenny Information Services

The Repository  
 65 Broadway, 16th Floor  
 New York, NY 10006  
 (212) 770-4568  
 FAX (212) 797-7994  
 Contact: Joan Horai, Repository

Moody's NRMSIR  
 Public Finance Information Center  
 99 Church Street  
 New York, NY 10007-2796  
 (800) 339-6306  
 FAX (212) 553-1460  
 Contact: Claudette Stephenson (212) 553-1345

Legislative History					
1ST READING	REF TO COMM	COMMITTEE	COMM SUB	COMM AMEND	VOTE
06/14/96	06/14/96	W&M	06/18/96		
2ND READING	FLOOR AMEND	FLOOR SUB	VOTE	PERFECTN	PASSAGE
06/21/96				06/28/96	07/03/96
ORDINANCE	VETOED		VETO OVR		EFFECTIVE
63810					